

The China Weekly
REVIEW
報論評氏勒密

A Weekly Newspaper Established in 1917

Russo-American Rapprochement and the Fukien-Kiangsi Puzzle

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Partisan Politics and Factions in Japan

By Paul K. Whang

Published by THE CHINA WEEKLY REVIEW CO., LTD.
No. 1, Cross Street, Singapore.

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密勒氏評論報

The China Weekly

REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper
for transmission with special marks privileges in China.

Volume 67

Shanghai, China, Saturday, December 2, 1933

Number 1

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 38 AVENUE EDWARD VII, SHANGHAI, CHINA,
BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF
THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO.
W. MISSEMER Asst. Editor; HOH CHIH-
HSIANG, Asst. Editor; TRYPHON KU, Ad-
vertising Dept.; F. K. CHAO, Business Dept.

CONTRIBUTING EDITORS

C. Y. W. MENG S.Y. LEUNG
STEPHEN WANG PAUL K. WHANG

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS
(CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA
AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT
DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES
THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL
MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE
POST OFFICE AT SHANGHAI IN MAY 1917.

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NATIONAL INDEX TO PERIODICALS." COPIES OF WHICH
ARE ON FILE IN MOST STANDARD LIBRARIES.

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING
IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY
REVIEW AT 38 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE
14741. CABLE ADDRESS "REVIEWING SHANGHAI."

WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

AMERICAN STOCK-PEDDLERS MUST WATCH MAILING LISTS

ON July 15 *The Review* published an analysis of the new U. S. Securities Act which President Roosevelt signed on May 27 which severely restricts the activities of brokers and others who deal in stocks, bonds, debentures and similar promotion enterprises. In connection with this discussion the inquiry was made as to whether the new American law would apply to Americans residing in China under U. S. extraterritorial jurisdiction. A copy of *The Review* containing the foregoing editorial together with some samples of circular letters and other literature pertaining to stock and debenture issues put out by American firms in China, was sent to the Securities Division of the Federal Trade Commission at Washington, with an inquiry as to whether the new law applied to Americans residing in China. We now have a reply from the Federal Trade Commission, Securities Division, signed by Baldwin B. Bane and which reads as follows:

"In connection with the situation (extraterritorial jurisdiction) to which you refer, it would seem that unless there is involved in the transaction an offering or sale of securities by one of the companies mentioned to a person in the United States or a territory thereof, the features necessary to acquire jurisdiction under the Securities Act would be lacking."

In view of this opinion it would seem that the Federal Trade Commission which has charge of the administration of the new law, will not be able to enforce the regulations in respect to Americans residing in China—unless such stock-selling letters or literature are sent to persons residing in the United States or a territory thereof. However, there is a possibility that when Congress meets in January and steps are taken to make changes in the Securities Act, advantage will be taken of this opportunity to amend the act so that it will apply to Americans and American companies operating in China under U. S. extraterritorial jurisdiction. In the meantime local American concerns which plan to continue their activities in this field, despite the new American law, would do well to watch their mailing lists, for should any of their literature be received by a resident of the United States or an American territorial possession such as Hawaii or the Phi-

lippine, they would then become subject to the provisions of the Security Law. According to a summary published in the *New York Times* on May 28 the provisions of the Security Law are as follows:

It requires filing with the Federal Trade Commission, and for transmission to prospective investors, the fullest possible information concerning new security issues. This sworn statement includes, among other things, "all commissions or discounts paid or to be paid, directly or indirectly" by the issuer to the underwriter.

The statement must include a full description of all factors surrounding the physical issuance of the securities and must show the names of officers and directors of the issuing company, the names of holders of 10 per cent or more of prior securities issued by that company, a detailed description of the business and financial condition of the company, and the salaries of its officers.

This information shall be public record, except that the Trade Commission is authorized to hold in confidence records of contracts the publication of which would affect the welfare of the company.

After the sworn statement is filed, twenty days must elapse before the security projected can be sold or even promoted.

Even after the Trade Commission has approved the issue, the company is not relieved of further liability, for at any time in the future evidence of untrue statements may be made the basis of criminal prosecution and for civil suits by investors.

Appeals from finding of the commission may be taken to the Federal courts.

Similar restrictions are imposed on the flotation of foreign securities in the United States, except that liability in such cases rests with the domestic

fiscal agent of the issuer.

Penalties for disstatement run up to five years' imprisonment or \$5,000 fine, or both, in addition to possible adverse judgments in civil suits.

President Roosevelt, in signing the new law issued the following statement. "It gives me much pleasure to sign the Rayburn-Fletcher Securities Bill...for this measure at last translates some elementary standards of right and wrong into law....Events have made it abundantly clear that the merchandising of securities is really traffic in the economic and social welfare of our people. Such traffic demands the utmost good faith and fair dealing on the part of those engaged in it. If the country is to flourish, capital must be invested in enterprises. But those who seek to draw upon other people's money must be wholly candid regarding the facts on which the investor's judgment is asked....The new law will also safeguard against the abuses of high-pressure salesmanship in security flotations. It will require full disclosure of all the private interests on the part of those who seek to sell securities to the public....The act is thus intended to correct some of the evils which have been so glaringly revealed in the private exploitation of the public's money. This law and its effective administration are steps in a program to restore some old-fashioned standards of rectitude. Without such an ethical foundation economic well-being cannot be achieved."

Has Russo-American Rapprochement Decreased Tension in the Far East?

WHILE the resumption of normal diplomatic relations between the United States of America and the Union of Socialist Soviet Republics has tended to further isolate Japan in world affairs, it now seems to be extremely questionable whether it has relieved the tension which has existed in the Far East for the past two years resulting from Japan's wholesale violation of treaties and her aggressions upon China. That it has made the Japanese military clique, now in almost complete control of the Japanese Government, more cautious in its dealings with Russia, seems to be evident. But whether this will lead to a liquidation of the Japanese menace without an actual outbreak of war is still questionable, the chief reason being that the Japanese have succeeded in working themselves into such a state that the military party may decide that a foreign war is preferable to a domestic revolution. That one or the other or both, meaning first a foreign war and then a domestic revolution, are inevitable in the Island Empire, seems to be the general belief.

One obvious result of the Russo-American rapprochement has been the complete collapse of the widely disseminated Japanese propaganda that Nippon's high mission in connection with her aggressions on the Asiatic continent, was for the purpose of blocking Russian expansion and the growth of communism. This propaganda no longer carries any weight anywhere and only provokes a smile among those who are familiar with Japan's militaristic grab of territory and resources from a weaker neighbor. As to Japan's defence against Communism, it has been

Japanese aggression which has done more to stimulate Chinese communism than all of the propaganda of the Soviet Russians. China would have stamped out Communism long ago had it not been for Japanese military aggression and political intrigue. Now that America and Russia have resumed relations, the Japanese military clique has been forced to tell the Japanese people that their only hope now is to hold their gains and consolidate their military and economic power to the point where they can defy the entire world. But can they succeed in this gradiose scheme. This is the question that is provoking universal concern, leading to speculation that the military clique, blocked as it is on every side, may finally precipitate a foreign war as a means of preventing the exasperated Japanese populace from tearing it limb from limb as they ultimately will. The Japanese were tremendously worried about Russian industrial development in consequence of the successful completion of the five year plan. Now, since the Russians and Americans have gotten together, the worries of the Tokyo General Staff have been greatly increased because this will enable Russia to draw upon the unlimited resources and credits of the United States in furthering their economic and military preparedness—particularly in the Far East. On November 13, several days before the Russo-American announcement of a resumption of diplomatic relations, the Japanese military headquarters in Dairen circulated a report (*Rengo*) about a "mysterious" American ship allegedly loaded with military supplies which was bound for the Soviet

Far Eastern port of Vladivostok. The Japanese report claimed that contracts had been signed for large American supplies of munitions and winter clothing for Soviet garrison troops stationed along the Manchukuo-Siberian border.

The resumption of relations between Russia and the United States has also been responsible for two significant Japanese moves, one looking toward the patching up of Japanese relations with China and the other between Japan and the United States. From the standpoint of Japan's relations with the United States, *Kengo* reported on November 25 that Koki Hirota, Foreign Minister, had called an informal meeting of prominent Americans and Japanese in Tokyo for the purpose of discussing the whole range of subjects which are adversely affecting the relations of the two countries. The meeting was to be participated in on the Japanese side by Mr. Hirota, the Foreign Minister, Vice-Minister Shigemitsu, Shigeru Yoshida, former Japanese Ambassador to Rome and Count Aisume Kabayama, while the American side was scheduled to include Ambassador Joseph Grew, Embassy Councillor, Edwin L. Neville and several American newspaper correspondents in Tokyo. Mr. Hirota's object apparently is to create a favorable atmosphere for his pet scheme of sending a high-powered Japanese delegation to the United States for the purpose of discussing an arbitration treaty, which scheme heretofore has been frowned upon by the military clique. The Japanese industrialists also are becoming increasingly worried at the growing indignation in the United States about Japanese dumping and in particular about the rapid decrease of American purchase of Japanese raw silk, a vital matter for Japan must pay for her purchases of American raw cotton with sales of raw silk in the United States otherwise the over-expanded Osaka mills will go bankrupt.

As to Japan's attempts to patch up her troubles with China, much already has been said on this subject. When the Tokyo General Staff embarked on its adventure into Manchuria in 1931 the Japanese manufacturers and traders were told not to worry about the falling off of their business in China, that other markets would be developed, and furthermore that the Imperial Army would find ways of breaking down Chinese opposition. But while certain Chinese militarists and bankers, anxious to maintain their positions or profits, have listened to the recent Japanese "song of friendship," the Chinese public generally has remained cold and worse, Japanese intrigue has precipitated a reaction in China which, from present prospects threatens to result in a major political upheaval which may become highly detrimental to Japan. As a result of the sharpening of the conflict between Japan and Russia, the Japanese recently have been telling the Chinese that a war between Japan and Russia would result in disaster for China because the fighting would, in all probability take place on Chinese territory. Sometime ago the Tokyo General Staff sent a lieutenant to Peiping who serves as the spokesman of the Tokyo War Ministry. On October 12 this representative of Gen. Araki issued a long statement to the Chinese newspapers wherein he reviewed conditions in Russia, concluding with the following statement:

"Japan may be compelled to take up arms only when our country is encroached

upon, peace in the Far East is threatened, our independence is jeopardized, and or our national living is menaced, when we are actually forced to rise for the sake of self-defence. This is the reason why we are making preparations that we can best make under the prevailing circumstances, calculating the worst to turn out in consideration of changes that are taking place in the international political situation. Without making any attempt at boasting, we may declare that, when Japan is obliged to take the field, she will demonstrate to the world her ability in fighting strength, thought, economic and political stamina far greater than any have ever imagined. The world may well remember that the Japanese will never bow their heads to any nation until their country has been reduced to a complete wreck, and the entire nation has been wiped out of existence. Should Japan ever come to cross swords with a third country, not excluding Soviet Russia, China would be unable to maintain strict neutrality and fish in troubled waters as she desires. It is well for the Chinese to remember that their country will be involved in the whirlpool, and experience distress far greater than other countries. Therefore far-sighted statesmen in China should do their utmost for preventing a clash between Japan and Soviet Russia and any other country. If they fail to understand this, and follow their accustomed policy, they will invite woeful calamities upon them and their country."

Aside from this Japanese military gesture warning China that in the event of a war between Japan and Russia, China would be compelled to side with Japan, the Japanese Military Attache's office in Peiping issued another propaganda blast on October 25 wherein the Chinese were told that present conditions greatly resemble the era following the Sino-Japanese war (1894-1895) when there was a scramble for concessions in China on the part of the European nations. The Japanese declared that since the occupation of Manchuria, China's impotency has been revealed to the world, hence China in her own interests should forget about her animosities against Japan and join with Japan to oust the Americans and Europeans from Asia. After reviewing recent activities of Americans and Europeans in China, calling particular attention to the American cotton and wheat loan and the employment of League of Nations technical experts, the Japanese militarists declared that their actions in Manchuria and elsewhere had checked the ambitions of the other Powers, "hence China's present anti-Japanese activities are contrary to the natural principles of justice and reason and against the welfare and humanity of the Far East." The sinister motive back of this propaganda is involved in the attempt to convince the Chinese that in the event of war between Japan and Russia on the one hand or between Japan and America on the other, China would be the chief sufferer, hence China should discontinue her animosities and join with Japan against the rest of the world.

Along with these propaganda efforts the Japanese military clique has brought strong pressure on the National Government to recognize

the puppet state of Manchukuo, join with Japan in an economic and military alliance which would involve Japanese military assistance in the suppression of the Kiangsi reds and other rebel elements, reduction of the Chinese tariff on Japanese products to enable Japan to squeeze American and European products out of the China market, relinquishment of Japan's extraterritorial privileges in exchange for China's recognition of the so-called Nishihara loans negotiated with the Anfu clique in 1917-1918-1919, which now in default amount to more than Yen 600,000,000. It has been this Japanese propaganda and intrigue, plus the actual negotiations in Peiping between Huang Fu and emissaries of the Japanese Kwantung army looking toward the Chinese recognition of Manchukuo, which has been largely responsible for the present turmoil in Chinese politics culminating in the 19th Route Army's recent independence movement in Fukien province.

The Chinese newspapers recently have paid close attention to the possible effects of the Russo-American rapprochement and while the editors agree that it has served to further isolate Japan, they also are in agreement that this new friendship on the part of Japan's chief potential enemies "will scarcely cause Japan to alter or abandon her so-called 'Continental Policy.'" The papers also agree that while domestic economic considerations in both Russia and America were largely responsible for the decision to resume normal diplomatic relations, there were other and even more important considerations. According to the *Shun Pao* these outside considerations include Japan's attempt to crowd Russia out of Manchuria and even the Siberian Maritime provinces, and Japan's attempt to secure the economic hegemony of the Pacific thus barring the United States from Far Eastern markets. Declared the *Shun Pao* "Due to internal conditions in Japan the outbreak of a great war in the Pacific in the immediate future is unlikely...but in one way or another Japan will continue to work for the realization of her aggressive designs in Asia.... hence the restoration of Soviet-American relations may be interpreted as being merely one more indication of the gravity of the Far Eastern situation." The *Peiping Morning Post* which has been most outspoken in opposition to the negotiations between China and Japan on the Manchurian issue, declared on Nov. 20 in connection with a discussion of the Soviet-American rapprochement,

"To Japan the news of the rapprochement must have come as a great blow as she regards both Russia and America as potential enemies. Shortly after the Mukden incident on September 19, 1931, the possibility of a Soviet-American understanding was first discussed, but nothing of a concrete nature eventuated. All doubt now has vanished in the actuality of a resumption of relations, hence there is no question but what it will profoundly affect the Far Eastern situation. Without the aggression of Japan in China during the last two years, the United States and Soviet Russia probably would not have resumed relations and while each has certified to the importance of economic considerations, this is only one of the chief reasons for the recent development.... As the Soviet has no desire to fight Japan, nor is she willing to submit to Japan, she had no alternative but to turn to the United States whose relations with Japan are also strained. The purpose of this move is undoubtedly to force Japan to relax her pressure on Russia so that Moscow can continue

her reconstruction program and wait for the day when she is in a better position to accept the challenge of Japan. The United States is in a similar state of mind, hence the rapprochement. Whether Japan will now relax her pressure in the face of the new understanding between the Soviets and the United States is a question deserving of China's close attention.

"The Japanese diplomatic authorities have indicated that Japan's foreign policy will not be affected by the rapprochement between Moscow and Washington, while a spokesman of the Tokyo War Office has declared that the immediate effects of the American action in recognizing Soviet Russia will not be detrimental to Japan. Ostensibly these pronouncements reveal a calm attitude on the part of Japan but we extremely doubt whether they actually represent the official mind of the island empire. In our opinion, Japan will have either to moderate her pace or adopt a stronger stand against Russia. Indeed, nobody seriously believes that Japan's policy towards Russia will not be affected in the face of the Soviet-American rapprochement.

"The political situation in Japan is full of dangerous possibilities. Many leaders are counselling a cautious policy. It is therefore extremely likely that Japan will modify her policy towards Russia, thus relieving the existing tension in North Manchuria. But it would be foolish to conclude that the danger of another world war has been eliminated, for the seeds of international conflict have been sown deep into the soil of the Far East and any temporary peace resulting from the Soviet-American rapprochement is merely a preparation for a more bloody and catastrophic war to come. The longer the second world war is delayed the more terrific will be its effects when it breaks out. China cannot stand aloof from this conflict. What are we going to do to cope with the crisis?"

Chinese official reaction on the Soviet-American reconciliation was not as favorable as might have been expected, due largely to the fact that Gen. Chiang Kai-shek has a most serious Communist-suppression problem on his hands and any international development enhancing the prestige of the Soviet Russians might be expected to have reactions along the line of strengthening the position of the Chinese Communists. The news of the Soviet-American rapprochement also had somewhat the effect of a bomb-shell in Peiping where negotiations leading toward a recognition of Manchukuo and possibly a Sino-Japanese military alliance were in progress. Since the Fukien rebellion against the Nanking Government, which occurred on Nov. 20 caused Nanking to order a discontinuance of the Huang-Okamura negotiations in Peiping and since this occurred only three days after the Soviet-American rapprochement announcement, this led the Japanese to believe that it was the Russian-American development that caused China to strengthen her attitude on the Japanese issue. However, a *Nippon-Dempo* message from Shanghai on Nov. 20 quoted Akira Ariyoshi, Japanese Minister to the effect that he had already reached an important understanding with Huang Fu, head of the Peiping Political Readjustment Committee. The Chinese paper, *Min Pao* published at Shanghai, in referring to the "world war in the making" declared that China's outstanding problem is the communist menace, "hence there is little chance of China's survival unless all leaders of the nation unite in the campaign against the Communists and the recently organized pink rebellion in Fukien province."

EUROPEANS ALSO SEE FAR EASTERN SIGNIFICANCE IN MOVE

The rapid increase in Soviet prestige as a Power to be reckoned with in world affairs, a

prestige greatly enhanced by the American recognition, was quickly recognized in European capitals. Litvinov, immediately following his American victory, embarked for Rome with the object of discussing affairs with Mussolini. A *Reuter* report from Rome declared that Mussolini desired to stage a "comeback" for the Soviets into the comity of European nations and forecasted that forthcoming Mussolini-Litvinov discussions would include the "increasing tension between Russia and Japan as well as improved Russo-Italian trade relations. The official French *Havas* service which recently has become more active in the Far East, in a dispatch from Rome on Nov. 25 quoted the *Avenir d'Italia* as stating that an entente between America and the U. S. S. R. "would contribute toward the strengthening of the position of Bolshevism....the entente is explained by the danger incurred to Soviet Russia and the United States by Japan's aspirations of commercial hegemony....the Oriental peril and Japan's march towards the Occident are alarming the two nations situated on the margins if not outside the European chess-board, and forcing them to seek understanding."

The German newspapers as well as those elsewhere on the Continent also sensed the bearing of the Soviet-American rapprochement on Far Eastern affairs. The *Narodni Osvobozeni*, leading newspaper in Prague declared, "Russia not only took a great step for her future participation in international politics in resuming diplomatic relations with the United States and at the same time made a great stride in strengthening world peace, because the common policy of the United States and the U. S. S. R. can stop Japan's military expansion."

A similar view also held by leaders in the United States according to cables from Washington published in the Japanese newspapers. Speaker Henry T. Rainey of the House of Representatives declared, "Our prospective troubles with Japan—if they ever existed—have vanished....Japan will not antagonize two of the greatest nations in the world, located on either side of her, and she is already engaged in amicable trade relations with both." A *United Press* dispatch from Washington on Nov. 19 said that Russia's decision to send Alexander Troyanovsky as Ambassador to the United States "is regarded as of utmost significance, bringing the Far Eastern situation into bold relief against the new American-Russian relations....the appointment is regarded as evidence of determination by both the United States and the Soviets to preserve peace in the Orient."

The most interesting comment, however, has appeared in the newspapers of Britain and Japan. *The Kobe Yushin* declared that the restoration of relations between America and Russia provided Japan with a rare opportunity to revert to anti-British policy. "An anti-British policy should form the keynote of Japan's diplomacy....Japan could gain nothing from war with America but pursuit of an anti-British policy can bring Japan no harm....to drive Britain out of the Far East is to put Japan in a position to make a trade advance in the south China market, Straits Settlements and Australia...." The *New York Times*' London correspondent summarized British opinion to the following effect,

"What interests us in London is the repercussion which this sensational event is certain to have on the international situation."

"The British interest in the opening of relations between Washington and Moscow principally is that this move has a direct bearing upon the situation in China. Since the war, Japan has built up there a colonial empire, in Manchuria, and she is now working hard to consolidate her military and naval position in order to prevent any other power from butting in. The alleged independence of Manchukuo has served as a mask for Japanese expansion toward the north and west, so that today the Soviet maritime province on the Pacific seaboard, with the fortified port of Vladivostok, is in danger of being cut off from Siberia by a Japanese force ready to move to Lake Baikal. The Soviet sphere of influence in Mongolia is menaced too. The Japanese navy is being strengthened so that it can remain in command of the China Sea. Japanese naval bases, advanced into the ocean, across the line of communication between America and China are being consolidated."

"Soviet Russia time and time again has retired before Japanese provocation. But all the time she has been arming in Siberia. It is likely that the Japanese militarists are well aware of this accumulation of forces, and that they do not believe it advisable to allow a potential opponent to achieve maximum strength. A drawing together of the two great powers which besides themselves are interested in the problem of the Pacific obliges the Japanese to consider drastic action in a not too distant future."

"The question must now be put: Can Great Britain view with indifference such a struggle, and, especially, can she admit a further increase of the power of Japan? The Island Empire is an old ally. For nearly thirty years the alliance between the two countries subsisted to their mutual advantage. It was denounced after the war only to meet the wishes of America. The goodwill of Japan for more than two generations has been considered essential to the maintenance of the peace in the East and for furthering British interests."

"But events have marched. Not only has Japan acquired a colonial empire on the continent of Asia, but at the same time she has become a highly industrialized country, and has entered the lists of international trade. Today she is tilting against the trade of Great Britain in the British Empire itself. Our merchants and spinners are attacked in their established position in India. The danger of the Japanese competition can be explained in a sentence: the Japanese pay their workman per day not more than we pay our worker for an hour. No conference, no commercial treaty, can lay a menace of such dimensions."

"At the same time the British flag has ceased to represent a real force in the Pacific. After the Naval Conference in Washington, Great Britain surrendered her claim to rule the seas to the exclusion of any other power. The British fleet was reduced to proportions which barely sufficed for the maintenance of the forces in home waters. When the needs of the situation in the Mediterranean were met, nothing remained for the Pacific station. The might of the British Navy today barely goes as far as Singapore, for Hongkong, on the threshold of China, is a base without ships."

SINO-JAPANESE TROOPS COOPERATE IN NORTH CHINA

Aside from the statement of Minister Ariyoshi that an important understanding had been reached with Gen. Huang Fu in Peiping, little further has been heard regarding the negotiations between Huang Fu and Gen. Okamura of the Kwantung army pertaining to the re-establishment of relations between north China and Manchukuo. The Chinese newspapers published reports that Huang Fu had resigned following receipt of instructions from Nanking ordering a discontinuance of the conversations, but this was later denied. On Nov. 23 a delegation of four members of the Control Yuan, Shao Hung-chi, Liu Wo-ching, Kao Lu and Tseng Tao, called on Wang Ching-wei, head of the Executive Yuan

and inquired about the Sino-Japanese negotiations in north China for the restoration of railway and postal communications with Manchukuo and the establishment of customs stations along the Manchukuo border. President Wang Ching-wei explained that these matters were still under consideration by the Central Government. With reference to the trip of Japanese Minister Ariyoshi to Peiping, Mr. Wang said that he had telegraphed to Generals Ho Yin-chin and Huang Fu and both had replied that Ariyoshi "had come to Peiping on personal business."

The *United Press* correspondent in Peiping in the course of a dispatch which was published in the *Japan Advertiser* recently summed up the situation to the following effect,

"The end of 1933 finds Chinese and Japanese troops co-operating on soil over which they fought each other at the beginning of the year. The paradox is increased by the fact that the Chinese are helping the Japanese to fight Chinese. And it has ceased to be unusual for Japanese military airplanes flying the flag of Manchukuo to land at Peiping, where countless Chinese have vowed they will neither recognize nor traffic with the new state.

"The Luantung area, the region eastward from Tientsin to the Great Wall, and the areas northward from Peiping to the Great Wall have been infested by 'bandits' since Sino-Japanese hostilities ceased. It is against these forces that Chinese troops are operating with the assistance of the Japanese military. Before the Chinese troops could operate they had to secure the permission of the Japanese authorities. And the forces against which they are operating were allies of Japan and Manchukuo when Chinese and Japanese were engaged in undeclared war.

"This facing of the realities is in process while Chinese and Japanese diplomats are sparring, seeking to find a method for composing their differences without endangering the overthrow of the Chinese Government on charges that its policy, if any, is one of 'surrender.' While Japanese diplomat talks of progress in reaching an understanding with the

Chinese and while the Chinese seek to maintain the fiction of 'resistance' and 'no surrender Japanese troop trains cross Chinese territory over Chinese railroads to co-operate with Chinese who are fighting Chinese. Japanese airplanes, which have rained bombs on Chinese troops and villages, in the closing months of this year have dropped their bombs in support of Chinese fighting Chinese.

"As one Japanese troop train proceeded from Luanchow to Chinwangtao through Chinese territory over the Chinese Peiping-Shanhaikwan railway it stopped at each station. At each station Japanese military officers posted proclamations saying that Japan and China had agreed to take joint action against 'outlaws,' another name for the orphan forces which once worked with the Japanese only to be abandoned when they could no longer serve a useful purpose.

"All this is just one of the many Chinese puzzles which puzzle even the Chinese. They have long since learned to take them in their stride and not to worry over the solution. Thus it is possible for Chinese in one section of the country to be buying Japanese goods while in another an anti-Japanese economic boycott is damagingly effective. Thus it is possible for an indignant press to be berating Tokyo while Japanese and Chinese officials meet in seeming friendship and cordiality to discuss their problems and drink toasts one to the other. And 1933 fades into history with the Occident no nearer an understanding as to what the commotion in the Far East is all about."

That there also has been an improvement in Sino-Japanese relations even in south China was claimed by the Hongkong correspondent of the *North China Daily News*, in a dispatch which appeared in that paper on November 22 stating that Japanese merchants in Hongkong "are heartened by the cessation of the anti-Japanese boycott in south China...the many National Salvation Associations in different places in the interior have not been active during the past two weeks, and it is said that the Chinese authorities have requested them to take a rest otherwise the Japanese may stir up trouble."

The Nineteenth Route Army and the Fukien-Kiangsi Political Puzzle

APPARENTLY the only certain element, thus far, in the Fukien situation is that the Nineteenth Route Army which has had control of that province for practically a year has declared its independence of the Central Government and in cooperation with certain other military and political elements, has created a so-called "People's Republic of China." From this point the remainder is largely speculation, particularly the identity of those on the outside who, directly or indirectly, may be supporting the movement. The only definite statement pertaining to policy which had reached the outside world at the time of writing these paragraphs was that of Eugene Chen, Minister of Foreign Affairs, issued to the press in Shanghai on November 23, which was three days after the issuance of the original declaration of independence. Mr. Chen's statement was to the following effect:

"I can state categorically that there is no separatist movement in Fukien province. The action of the Nineteenth Route Army envisages the entire territory of the Chinese Republic as one and indivisible, the fundamental purpose being to save China, not break up the nation. The movement aims at

ending the power of Chiang Kai-shek and his ruling clique at Nanking in order to dedicate the entire nation to the task of saving China and her vast material resources and man-power from alien domination and control inherent in Nanking's pro-Japanese policy. The movement also aims at the liquidation of the political system which has led to the ruthless exploitation of the Chinese people in the interest of Nanking's Kuomintang despotism which has caused the peasants to starve under a tax system which 'scrapes the earth' in order to enable Nanking's suppression of the Nineteenth Route Army and others unwilling to see China conquered. The movement aims further at the transformation of the mediaeval economy of China's village life and on this foundation to build a new order of society providing political liberty and economic security to the individual. We hope these aims will appeal to a politically civilized world. The Nineteenth Route Army enters the struggle for their realization in the same spirit which inspired them when they struggled against the beast of Japanese imperialism at Shanghai last year."

THE FUKIEN PEOPLE'S ASSEMBLY IN SESSION AT FOOCHOW



This picture was taken on Nov. 20 at Foochow, following the initial meeting of the Assembly of the People's Republic of China. The banner reads, "Provisional Assembly of the People of the Republic of China." Among those standing on the platform are (1) Eugene Chen, (2) Chiang Kwang-nai, (3) Oung Chao-yuan, (4) George Hsu Chien, (5) Li Chi-sum, (6) Tsai Ting-kai, (7) Gen. Tai Chih.

Although reports pertaining to the movement have been closely censored sufficient has appeared to indicate that the new political development is strongly socialistic, the platform containing provisions favoring state ownership of land, forests, mines and essential industries. A liberal policy advocating freedom for Labor to organize and seek redress through strikes also, allegedly, was recommended. Three clauses in the program pertaining to national sovereignty advocated complete tariff autonomy, abolition of unequal treaties and prolonged resistance against Japanese aggression. The complete repudiation of the Kuomintang Party and abolition of the familiar "blue-sky white-sun" flag attracted most attention among the Chinese because it constituted the second organized attempt to abolish the political party which in recent years has become synonymous with Chinese nationalism. The first and a still continuing attempt in a similar direction is that of the Chinese Communist Party in Kiangsi province which would substitute its dictatorship for that of the present Kuomintang Party. The various names which the Chinese newspapers have attached to the Fukien movement perhaps serve better than anything else in giving an insight into the character of the movement. Some of these titles are, "People's Government of the Republic of China," "Federal Revolutionary Government of China," and "Production Party to Befriend the Poor." The banner which appeared over the platform on the opening day of the new regime, a reproduction of which appears herewith, reads as follows: "Provisional Assembly of the People of the Republic of China." This so-called "People's Assembly" is now housed in the

building in Foochow which originally was occupied by the provincial Kuomintang headquarters, and the previous occupants of which are now in Shanghai. The Assembly constitutes the central governing or administrative body of the new political movement and under it are various commissions headed by chairmen, who together form a sort of cabinet. Considerable confusion exists as to the personnel of the new group but the following is supposed to be an authentic list:

- Gen. Li Chi-sum (Kwangsi), Chairman of the People's Government
- Gen. Tsai Ting-kai (19th Route), Chairman of the Military Commission.
- Gen. Chen Ming-shu (19th Route), Chairman of the Executive Commission.
- Hsu Hsi-ching (Third Party), Chairman of the Finance Commission.
- Chang Po-chen (Third Party), Chairman of the Educational Commission.
- Eugene Chen (Third Party), Chairman of the Foreign Affairs Commission.
- Gen. Yue Sam-ching (Feng Adherent), Chairman of the Economic Committee.
- Gen. Chiang Kwang-nai, (19th Route), Vice-Chairman of the Economic Committee and concurrently Governor of Fukien.
- Gen. Yau Kwok-chun (Canton), Superintendent of the Public Safety Bureau.
- George Hsu Chen (Third Party), Secretary of the People's Government

The foregoing constitutes the present known facts regarding the new political movement. And, as stated in the foregoing, the remainder leads into the field of speculation, particularly the reports pertaining to alliances and counter-alliances. Of these various rumors the report pertaining to some sort of understanding with the Chinese Communists in Kiangsi province seems to have been fairly well established. The terms of this

agreement are not known, but apparently they are concerned with a mutual understanding to cease fighting and not aggress on each other's territory. Certain sections of western Fukien province which were held by the Reds, allegedly have been surrendered to the control of the new People's Republic. Unconfirmed reports in the Chinese papers stated that the 19th Route Army had agreed to supply the Communist Army with munitions, salt and medicines. Eugene Chen, in his communication referred to in the foregoing declared most emphatically that the new administration is not "communistic."

Of special interest in connection with the reports of an alliance between the 19th Route Army and the Kiangsi reds was a statement circulated in Shanghai on Tuesday of this week by the *China Forum*, organ of the Chinese Communist Party which answered a number of questions pertaining to the new political development of south China, the first question being, "What does the Communist Party think of the new government in Fukien?" In reply to this question, the spokesman of the Communist Party designated the new Fukien government as a "politico-military group whose efforts are directed mainly against Gen. Chiang Kai-shek and in no sense a product of the revolutionary mass movement in China.... Fundamentally it represents the same class forces as the other Kuomintang governments, hence the Communists are opposed to it.... the events in Fukien provide further proof of the disintegration of the Kuomintang, etc." Regarding the similarity of programs pertaining to the redistribution of land, the Communist spokesman declared that the program announced by the 19th Route Army "sounds the same as that which is being enforced in Kiangsi province, but in the Soviet districts the equal distribution of the land has been brought about by the united action of the poor and middle peasants and farm laborers, while in Fukien this program has so far only been put on paper by a government whose members have always in the past stood against the workers and peasants and whose presence in the government can be taken as a certain guarantee that this regime will not of its own volition put this program into practice."

As to the alleged alliance between the new Fukien regime and the Japanese, the Soviet spokesman explained that Fukien probably had requested the Japanese not to interfere, "but as the struggle deepens it is inevitable that relations may become closer." On the other hand it was claimed that a struggle within the Fukien group already had developed between the "pro-Japanese" and "pro-American" factions, hence the possibility exists that the Japanese may take advantage of the situation to intervene on the pretext of protecting Japanese lives and properties, but with the real object of eliminating the American and British "imperialists," and finally to create a Japanese base for a future invasion of the Soviet districts in Kiangsi and Fukien.

In reply to a question pertaining to the allegation that the 19th Route Army and the Chinese Soviets had concluded an agreement, the Soviet spokesman admitted that such an agreement does exist—"and has existed for several months—a tacit agreement kept by both sides not to attack each other so long as certain conditions are observed." Elaborating further

on this subject the spokesman declared that the Soviets stand willing to ally themselves with any army in China which is willing to fight the Japanese and other imperialists, for naturally such a fight would include the struggle against Japan's puppets and the vendors of China. Finally it was suggested that the present tacit understanding with the 19th Route Army might develop into an agreement for joint military action against Nanking, "providing the Fukien forces would be willing to agree to certain conditions," meaning apparently an acceptance of the Soviet program. Also the charge was made that other groups had at various times approached the Soviets for an understanding, including the present Canton administration "and even a group within the Nanking Government which realized the impossibility of defeating us.... but we are not deceived by these maneuvers and will meet them with revolutionary tactics.... we know that differences in the camp of the enemy increase daily, hence the utilization of these differences is both permissible and necessary, but we shall never become the tool of any one of these factions against the other."

Only one small paragraph was devoted in the Communist declaration to what may shortly become the most significant phase of the entire Fukien-Kiangsi situation, namely the influence of the Social-Democratic theories of the 19th Army's military and political leaders upon the entire Communist program. Charging that "these heterogeneous groups" have one common aim—to divert the revolutionary struggle into counter-revolutionary channels, the Soviet spokesman declared that the real power in Fukien is in the hands of the Fukien militarists who are using the so-called social-democrats in order to save the landlord class. The significance of this statement is based on the fact that reports recently have been in circulation that a split has occurred in the ranks of the Communists and that the recent understanding between Fukien and Kiangsi really amounts to an alliance between the extreme left wing of the Kuomintang and the more conservative or "pink" Communists.

Aside from the Communist angle there is further interest in the Fukien situation from the standpoint of its bearing on the general political situation in south China. In this connection we refer the reader to another article in this issue of *The Review* dealing with the political fundamentals in Kwangtung province. Several days preceding the Fukien independence declaration, Gen. Chen Chi-tang, head of the Canton military faction suddenly dismissed two of his leading subordinate or "route" army commanders, Generals Yu Han-miao and Heung Han-ping, both of whom had previously occupied important positions in the province. The reason for this action was Chen Chi-tang's suspicion that they were involved in a plot with Gen. Chen Ming-shu of the 19th Route Army to oust him (Chen Chi-tang) from control of Kwangtung and thereby establish an alliance between Fukien and Kwangtung against Gen. Chiang Kai-shek who has been in alliance with Chen Chi-tang. This sudden action on Chen Chi-tang's part broke up the plotted alliance and forced Chen Ming-shu to go it alone in Fukien. But the Fukien group had also been negotiating with the Kwangsi military leaders,

Gen. Li Tsung-jen and Bei Tsung-chi to join in a general South China Coalition against Nanking. Gen. Li Chi-sum, a third Kwangsi leader, had definitely joined in the Fukien movement and it was hoped to swing the other two Kwangsi militarists, real controllers of the Kwangsi army, into the coalition. Thus far there have been no developments on this front, but the local newspapers published a significant news report from Canton during the week stating that Gen. Li Tsung-jen had refused to proceed to Canton for a conference with Gen. Chen Chi-tang on the grounds that his associate, Gen. Bei Tsung-chi was ill. As a result of this situation late reports from Canton stated that Gen. Chen Chi-tang had mobilized one of his armies in the West river district in order to prevent a surprise attack from Kwangsi, while another army has been mobilized in the East River district along the Fukien frontier to prevent a drive southward into Kwangtung by the 19th Route Army.

Another report pertaining to political developments in south China was to the effect that Kwangsi was opposed to the socialistic developments in Fukien and instead of cooperating with the 19th Route Army, would attempt to form a "Five-Province Alliance" in South China against Nanking, the alliance to include Kwangtung, Kwangsi, Yunnan, Hunan and Kweichow.

It is unnecessary to emphasize the seriousness of this situation from the standpoint of the National Government at Nanking which enjoys the recognition of the foreign powers. Gen. Chiang Kai-shek early in the present week dispatched his trusted 88th Division, commanded by Gen. Sun Yuen-liang, from Nanking to Hangchow for the purpose of garrisoning the Chekiang-Fukien border. For two or three days the rolling stock of the railway connecting Nanking-Shanghai-Hangchow was monopolized in transporting infantry, cavalry, artillery, including anti-aircraft guns from the National Capital—through Shanghai—to Hangchow. The passing of this large force through the environs of the foreign settlements caused the local Japanese military and consular officials to lodge a protest with the Consular Body, alleging the Chinese action constituted a violation of the Sino-Japanese military truce and creation of a demilitarized zone which was signed last year following the Sino-Japanese war here. However, the Chinese paid no attention to the Japanese protest and according to report transported altogether some 3,000 troops to Hangchow.

Thus from a military standpoint the entire territory, particularly the provincial borders stretching all the way down the coast from Shanghai to Canton and thence westward to Wuchow in Kwangsi province, a distance of more than a thousand miles has been converted into a vast military camp. Obviously there is sufficient explosive material, especially now that all of the groups have aviation branches, to make the forthcoming struggle the most devastating that China has experienced since the 1926-1927 nationalist revolution.

A reprint of a mere summary of the various charges, declarations, manifestoes and allegations from the various camps would fill many columns of this issue of *The Review*. Shao Yuan-chung, chairman of the publicity committee of the Central Kuomintang headquarters in Nanking

declared (*Kuomin*) that the present revolt "is more serious than any other rebellion in the past . . . its significance exceeds that of Chen Chiung-ming's revolt against the Dr. Sun Yat-sen or Yuan Shih-kai's monarchical movement . . . the rebels in Fukien are selling the nation . . . they have allied themselves with the Communists, supplied the bandits with foodstuffs and munitions and invited Peng Te-huai the notorious bandit chief to Foochow for a conference, and in addition they have reached a secret understanding with the Japanese imperialists." Wang Ching-wei, Chairman of the Executive Yuan, in the course of a lengthy statement on the Fukien crisis declared that the present revolt "stands in a class different from the ordinary political complications of the past and could be compared only with the monarchical coup of Yuan Shih-kai, the Manchu restoration fiasco of Chang Hsun, the establishment of the Chinese Soviet Republic by the Communists, the creation of the puppet Manchukuo session by the Japanese in the northeastern provinces. He said that the Fukien rebels had the audacity to alter the very form of the state and have completely set at naught the twenty-one years of history of the Republic . . . and thus have become enemies with whom neither our comrades nor our compatriots will be able to "live under the same heaven." Mr. Wang declared, however, that the Government's policies "will not be disturbed or otherwise affected and furthermore, such a thing would be an absolute impossibility."

Gen. Chiang Kai-shek, Commander-in-Chief of the National forces has issued several manifestoes addressed to the people generally, the rank and file of the 19th Route Army and to his own subordinate commanders. Gen. Chiang has been particularly exasperated that the Fukien rebellion occurred just at a time when he had turned the tide in the long struggle with the Kiangsi Communists. He charged that in organizing the so-called "Third" or Social-Democratic Party, Gen. Chen Ming-shu had long aimed at revolting against the central authorities by utilizing the strength of the 19th Route Army. Gen. Chang then charged that Chen Ming-shu, while occupying the post of Minister of Communications at Nanking had accepted heavy bribes in connection with the conclusion of the Mackay Cable agreement and the China Merchants Steam Navigation Company's loan agreement. "Finding himself the target of attack by various organs of public opinion, Gen. Chen had left the country for Europe and following his return to Hongkong he had involved himself in political plots and in order to subvert the Central Government, he had allied himself with leaders of the so-called Third Party, such as Huang Chi-hsiang and George Hsu Chen, and furthermore had concluded a non-aggression pact with the Communists, whereby the Social-Democrats and the Third Party will offer material and military assistance to the red bandits.

Late reports in the Japanese newspapers indicate strong Japanese opposition to the Fukien developments, some of the papers alleging the creation of the Fukien "People's Republic" was a direct outcome of the recent Russo-American rapprochement, hence the Japanese military authorities were watching the situation closely.

Growth of Soviet System in Japan Revealed by Police Reports

LIFTING a press ban which had existed since last February, the Tokyo Police Nov. 20 made public details of an extensive plot of radicals to abolish Japan's present form of government and substitute for it a dictatorship of the proletariat based on the Russian system of soviets. A total of 1,696 persons, including 68 women and 926 Koreans, were arrested. The movement was termed by authorities one of the most persistent encountered since the "red" form of "dangerous thought" was first detected in Japan. Having made 100 arrests in the first big raid February 27, the police believed they had delivered a death stroke to the organization. But in March it was learned that new leaders had sprung up to gain new followers. Those arrested were adherents of the National Council of Labor Unions of Japan, generally known as the Zenkyo. The Zenkyo was outlawed with the Labor-Farmer party and the All-Proletarian Youths' League in connection with a police drive against Communism on April 10, 1928. Its first apparent object was to oppose imperialistic wars, later it evinced a determination "to fight for the complete independence of Korea and Formosa, as they are friends of the Soviet Union." A principle later enunciated was "to fight for the overthrow of a certain system."

The arrested persons are charged with having fomented general strikes and demonstrations, ultimately aiming at the establishment of a proletarian dictatorship. The Police first became aware of the group last winter when activities of the members were noted in nearly all factories and workshops of the country. It was decided that the Peace Preservation Law applied to the situation, and the first raid, a small affair, was conducted in January. Other minor activities of the police took place up until February 27, when the biggest raid of all was conducted.

The second series of raids, this time on a comprehensive scale, started February 28, reaching to the central branch of the Zenkyo, the Japan Publishing Labor Union, the Daito Printing Shop, the Japan Chemical Labor Union, the Japan Central Labor Union, the Jutendo Hospital, the Nakayama Taiyodo, the Educational Labor Union, the Tsukiji fish market, the Kanda Vegetable Market, the Japan Foodstuffs Labor Union, Japan Textile Labor Union, the Japan Mining Labor Union, the Japan Metal Labor Union, the Niigata Iron Works, and even the Tokyo Municipal Office.

In the raid conducted on the dining hall of the Municipal Market Koishikawa, Feb. 27, by 41 policemen and detectives, a number of operatives entered in the guise of students, cooks and laborers. The disguised detectives noticed that one important suspect was not in the assemblage and decided to wait for him before calling in the arresting officers. Thereupon the others became suspicious and attempted flight. They plunged through the doors into the police cordon and a general fight raged around the market building until the police conquered and arrested the men they wanted.

Four Japanese Army Men Arrested on Radical Charge

Four soldiers in active service are under arrest, accused of being active Communists. The men were taken by the gendarmerie in the course of activities intended to

cope with radicalism among employees of munitions works and other military plants. All face prosecution before army court-martials.

On cadet nane Kiyoyama, a graduate of the Tokyo Imperial University, allegedly became acquainted with Communism through university associates. When he entered the military service, it is charged, he began distributing copies of *The Red Flag* and *Friends of Soldiers*, two radical publications, among members of his regiment.

Nyozekan Hasegawa, noted Japanese thinker and essayist, who had been detained by the Nakano police on the charge of being involved in communist movement as a sympathizer, was released Nov. 23 in view of his poor health.

A 24-year-old woman-Communist Tetsu Miyazaki, was arrested by the Tokyo police when she appeared in a book-seller's shop of Kanka recently. The woman is a graduate of the Tokyo Women's College and is alleged to have so far won over twenty members and sympathizers among students of the Peers' School.

Tokuzo Shima, an influential business man of the Kansai district, whose movements in connection with the notorious salt scandal and the "Gods' Soldiers" affair, were suspected by the police, surrendered himself at the Osaka Public Procurators' Office last week. He is reported to have confessed to the fact that he contributed nearly 1,000,000 yen towards the allegedly patriotic movement made by the "Gods' Soldiers."

Six persons arrested in Tokyo last week, included three Japanese women and three Korean Communists free on bail, for whom the women acted as "housekeepers." Charges for the arrest, according to the *Asahi*, were violation of the peace preservation laws.

Kanemitsu Hososeko, 38-year-old attorney, according to *Rengo* told Judge Ryu Naezato in the Tokyo District Court Nov. 13 that he had reversed his previous position as to Communism, and had abandoned all intent to aid the movement. He is accused of violating the peace preservation law.

The *Speaker*, a periodical published among the employees of the Kwanto branch of the Japan Broadcasting Association has been revealed by the police as a Communist organ. The authorities have arrested several employees concerned in its editing. The Osaka and Nagoya police have rounded up five lawyers on a charge of sympathetic activities with Leftists. They all belong to the Japan Barristers' Organization for Farmers and Laborers.

A Japanese evangelist, who was speaking on Christian themes together with a foreign missionary in Minatogawa park, Kobe Nov. 17 was about to be lynched by the mob as he, in a course of his talk "infringed on the sanctity of the national polity." He was saved by the police. Police investigation may involve the evangelist in a charge of *lese majeste*, the *Asahi* says.

Procurator at Seoul Demands Death Sentence for Communists

In the Seoul District Court Nov. 20 dealing with the Chientao Communist case, Procurator Sasaki demanded the death sentence against eighteen condemned, life imprisonment against twenty-four, and imprisonment sentences ranging from a year to 15 years against others.

Kanemitsu Hososeko, a lawyer, condemned of sympathetic activities with Communists, was sentenced to two years' imprisonment with stay of execution for three years, by Judge Nakasato of the Tokyo District Court Nov. 20.

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Japanese Trade Balance Develops Adverse Tendency in October

The *Osaka Asahi* commented Nov. 22 with undisguised disappointment on the recent trend of Japan's trade. The trade balance, which had continued favorable since the beginning of June, suddenly developed an adverse tendency in the latter part of October, and there was a positive excess of imports over exports amounting to Yen 2,102,000 in the second ten days of November. This turn in the tide of trade has come this year earlier than usual. Last year, it came in the latter part of December. The early advent of an adverse balance in the Japan trade returns this

year is due to the fact that whereas the volume of the exports of cotton yarn and silk fabrics remains unchanged, on the whole, the fall in the price of raw silk has reduced the value of its exports. As another important contributory cause may be mentioned that, on the side of imports, raw cotton has attained the figure of 303,000 piculs. Unless there is a marked decrease in the imports of raw cotton hereafter, increased purchases of wool and sundry goods will accentuate the tendency of the unfavorable trade balance. There must be an excess of exports over imports. It is, therefore, deplorable, the *Asahi* thinks, that the Japan Foreign trade balance has been unfavorable year in and year out in the past, and that this year's trade, of which so much had been generally expected, promises to prove no exception to the rule after all. Trade depression is a world-wide phenomenon at present it is true, but Japan must overcome it, in view of her peculiar position.

Nippon Yusen Kaisha Again Omits to Pay Dividend

Due to the uncertain shipping outlook the Nippon Yusen Kaisha has passed its dividend for the seventh successive term. At the meeting in Tokyo Nov. 24 the president, Kenkichi Kagami told shareholders that the results for the six-month term which ended with September were not so good as for the preceding period.

There is a growing feeling in Japan generally, referred to more and more in public speeches, that Japan's recent commercial expansion has only been possible because in a great many instances business has been done at a loss.

Premier Saito Urges Finance and Naval Ministers to Patch Up Differences

With no prospect of an understanding between the Finance and Navy Ministries regarding the next year's budget estimates in sight in the near future, Premier Viscount Saito Nov. 28 took his first steps in intervening in the budgetary controversy regarding the naval estimates in order to break the deadlock in the budget drafting negotiations. The Premier saw Finance Minister Takahashi and Naval Minister Osumi separately and urged upon them to patch up their differences regarding the budget through political means so as not to cause undue anxiety of the general public.

It appears that Admiral Osumi, Minister of the Navy and Mr. Goto, Minister of Agriculture and Forestry, are particularly strong in their claims for the revival of the reduced items of expenditure in their respective Departments. On the other hand, Mr. Takahashi, the Finance Minister, is as firmly determined to stick to the Budget drafted by his Department. If both sides adhere unyielding to their present attitude, a head-on collision between these Ministers and the Finance Minister will become inevitable. In the meantime, it is impossible to foretell whether a compromise will eventually be reached. After his interview with Admiral Osumi, Minister of the Navy, Nov. 21 Mr. Takahashi told a Press interviewer that it is not the Navy Minister only who asks for the increase of the Departmental estimates reduced by his Department. But, says the Finance Minister, the Budget must of necessity be compiled in keeping with the financial capacity of the country. A Budget which exceeds the limits of this capacity would naturally shackle national activity in many directions, culminating in a grave national situation arising, which it would be humanly impossible to control. In drawing up the draft Budget, Mr. Takahashi said, he gave careful thought not only to the present financial strength of the country but to the prospects of the future financial situation. To compile a bigger budget would involve the nation in trouble in future, he said.

National Loans of Japan to Exceed Yen 9,000,000,000 by End of 1931

The total amount of outstanding Japanese loans will, by the end of 1934, exceed Yen 9,000,000,000 the Tokyo Finance Office announced Nov. 21. Government bonds to be issued during the next fiscal year amount to Yen 701,000,000 and are already provided for in the budget, but, if other bonds in the special account are included the total amount will approximate ten thousand million yen. Japan's national loans at present total Yen 7,807,890,000 but the figure will reach Yen 9,000,000,000 before the end of the current year, it is predicted. In addition, the Government has issued nearly Yen 500,000,000 in short term bonds such as grain bonds and Finance Ministry bonds.

A new Japanese monetary policy was announced, Nov. 24, by which the Bank of Japan is buying newly-mined gold at Yen 2.60 per gram, or approximately 23 sen higher than the present rate. The bank is abandoning its policy of basing the gold buying price upon the Yen-U.S. dollar exchange and is adopting instead the quotations of the London gold market.

International Silk Federation Passes Resolution Against Japanese Rayons

The conference of the International Silk Federation at its session in Paris, November 14 passed unanimously—with the United States and Italian delegates abstaining from voting—a resolution against Japanese rayons. Before voting for this resolution, the conference rejected a counter resolution, proposed by the American representative, which provided for the conference merely sending letters to Japanese producers urging them not to flood the markets of the world with their goods. Japanese "observers" were requested to absent themselves from the room while the vote on the resolution was being taken.

A formal application for relief of the Southern California tuna industry from overwhelming importations of canned tuna has been made to President Roosevelt by the California Fish Cannery Association.

American Air Bomb Hits Japanese Sampan Off Pearl Harbor

A 50-pound bomb fell from the sky on a Japanese fishing vessel off Pearl Harbor in Honolulu Nov. 18. The craft was damaged but the crew escaped injury. The Pearl Harbor Air Fleet Base was conducting bombing maneuvers with a squadron of planes participating, when one of the bombs, dropped by mistake, happened to hit the Japanese vessel. The authorities arranged for an official expression of regret and payment of indemnity.

American Immigration Group Opposes Opening Door to Asiatics

The joint immigration committee of California issued a statement at San Francisco, November 14 opposing "the opening of immigration gates to Asiatics" as suggested by the San Francisco Chamber of Commerce and the California Council on Oriental Relations.

American-Japanese Relations Discussed at Informal Confab in Tokyo

Exchanges of good-will envoys between the United States and Japan for the promotion of good relations between the two countries, strengthening of the agreement between the two countries regarding the defence of the Pacific area, and the naval building race, were discussed at a meeting held Nov. 27 under the auspices of the Japanese Foreign Office. The meeting was attended by the Japanese Foreign Minister, Mr. Hirota, Vice-Minister for Foreign Affairs, Mr. Shigemitsu, and other departmental heads of the Foreign Office on the Japanese side, and Joseph C. Grew, American Ambassador to Japan, Mr. Neville, Counsellor of the American Embassy, and American newspaper correspondents in Tokyo. The contents of the conversations are being kept secret.

Indo-Japanese Negotiations Still Drag On

Optimism is expressed in Tokyo as to the successful consummation of the Indo-Japanese trade negotiations now in session in New Delhi as the result of the latest concession made by Japan. There is felt a keen desire on the part of Indian cotton growers that the boycott of Indian cotton by Japanese cotton textile manufacturers should be waived as early as possible in view of the tremendous hardships it entails on the Indian cotton growers.

The Indian Government has lately called a conference of merchants and manufacturers in India with a view to studying factors in connection with Japan-India trade parley. This is interpreted as meaning that the Indian authorities are contemplating to adjust the view points of the commercial and industrial circles in India before putting to final touches to the trade agreement now being drafted. Meanwhile, the Indian Government is awaiting the replies to its inquiries recently made with the British Government as to the attitude to be taken by India toward the concession made by Japan recently.

Following the disapproval by the Indian Merchants Chamber of Commerce of the recent cotton agreement between Lancashire and the Indian cotton mill owners, Sir Manmohandas Ranji, president of the Chamber of Commerce, and H. P. Mody, chairman of the Mill Owners' Association, resigned from the Bombay Chamber Nov. 27. The committee of the Chamber of Commerce is now considering a modification of its resolution in order to avert a crisis.

Lancashire Favors Restrictions on Japanese Competition

Lancashire members of Parliament indicated Nov. 24 that they will support a motion demanding the abrogation of the Anglo-Japanese trade agreement and the restriction of Japanese trade competition in Britain either by high tariffs or embargoes.

Japan Feigns Composure in Face of U.S.-Soviet Rapprochement

(By the Review's Tokyo Correspondent)
(Translations from various Japanese publications)

FOR months the U.S.-Soviet rapprochement has been one of the most outstanding diplomatic topics dealt with by the press. But it was not until Soviet Foreign Commissar Litvinov decided on having a personal interview with President Roosevelt at Washington that the public attention has come to indicate something more than mere curiosity—the stage has changed from the scene of vision to that of reality. Upon the Soviet envoy's arrival in America on November 7 and starting conversation with the President, the press articles became correspondingly dramatic. This change can be noticed in the attitude with which the press handled the news on the issue. Since the leading newspapers have occasionally intimated that they anticipated the parley's successful ending, it seems the report informing of America's recognition of the Soviet created less sensation than it really deserved. Still, under the straitened Far Eastern situation, the successful termination of the Litvinov-Roosevelt parley has added another bit of dark cloud over the Island Empire, it is observed.

Editorial Comments of the Press

Tokyo Asahi, Nov. 19: According to the official notes regarding the recognition of Soviet Russia by the United States the most outstanding is the renunciation by the Soviets of the claim for the damage in connection with her sending troops to Siberia, which has been mainly responsible for the slow progress of U.S.-Soviet rapprochement. This radical turn of the Soviet attitude will do much good to the Soviet Government. The only important question that remains unsettled is that of the Soviet's obligation calculated at about \$700,000,000 or more, but this, we presume, will also be settled peacefully together with other less important affairs pending. We take this opportunity to assure our readers that it is groundless fear that the new diplomatic event may pave a way to strengthening the two Powers' attitude toward the East; their hand-shake means no more or less than the recovery to normal of the long continued abnormal relations between the two nations, as was declared by Ambassador Yurenev. We welcome any and every policy that does not run counter to our established Asiatic policy which is founded on bringing about peace in the world.

Tokyo Nichi Nichi, Nov. 19: Circumstances of the world so developed that it was considered obvious that America would eventually have to recognize Russia and such a step had been regarded as a question of time. The American recognition of Soviet Russia calls for congratulations both from the viewpoint of return of normal relations between the world's two greatest Powers and of the stability of the international political situation. For a country that may be complaining about a lack of able diplomats Foreign Minister Litvinov's successful winding up of this important business within about 10 days should provide much food for thought. The American demand for prohibition of communist propaganda, freedom of religious worship, security of various rights in the private status, and Russian disregard of the despatch of American troops to Siberia, regarding which an understanding has been reached, is insignificant before the great fruit of the resumption of the U.S.-Soviet relations. And the solution of the important questions regarding the international trade and American loans to Czarist Russia is said to have been left to ordinary diplomatic procedure. The vital point is the future trade relations of the two countries, for if America wants to bring her Russian trade up to \$500,000,000 or to \$1,000,000,000 she on her part must buy as much or establish a long term credit system to get payment. It is open to question whether trade relations of unusual character will develop smoothly. The greatest interest consequent to the recognition may be said to be centering on this trade issue. Its political significance, if any, will be felt in the European situation; Germany has become completely isolated in Europe as a result of the American recognition of Soviet Russia.

Osaka Mainichi, Nov. 19: Russia is a vast country. Her population runs up almost to 160,000,000. There is no question that she is a potential market for any in-

dustrial nation. It is natural that trade possibilities were one of the chief incentives which made America recognize the Soviet regime. The eyes which America turned toward Russia makes us recall that what the American exporters are saying now about Russia has been said over and over for years with regard to China. It could be said that how to trade best with China has been the chief aim of America's Far Eastern policy in the last half century. Has America benefitted by relying on the expansion of commerce with China? Will America's hope of selling her surplus commodities to Soviet Russia be realized in full? It may be an injustice to Russia to compare her with China, but with regard to the purchasing power of the two nations, we find quite a similarity. The hugeness of the population alone does not mean a good market. The Russian standard of living may be higher than that of China, but surely the millions of people suffering from the drive of the five year plan are not so well off as to buy readily high-priced American commodities. Again, as to agricultural products, American farmers must remember that Russia, too, is a great wheat-growing nation. Russia may buy American cotton, but the southern plantation owners must wait a year or two for the Soviet authorities to build spinning mills first. Considering these points, it looks as though the only class of American exporters who will benefit are those dealing in machinery and the output of the heavy industries. And as to the American export to Russia in these lines, haven't there been enough shipments in the past even without the recognition?

Jiji Shimpō, Nov. 19: Recently Soviet Russia has grown extremely skeptical of our Far Eastern policy and is bent on building up elaborate defence works along the Soviet-Manchukuo borders gathering in this district a huge army. This attitude of Soviet Russia is beyond our power of comprehension. Soviet Russia is enthusiastically engaged in impressing the world with the political influence of the U.S.-Soviet resumption of relations and appears to be bent on restraining our Far Eastern policy. But such a maneuver of the Soviets will eventually end in a mere demonstration as characteristic of the country. The American restoration to normalcy of her relations with Soviet Russia was motivated by her economic situation. That upon the commencement of the U.S.-Soviet negotiations the United States Government decided on returning to the Atlantic coast, the main strength of its navy now staying on the Pacific side, eloquently speaks for America's aversion to being used as a tool by Soviet Russia for establishing her Japan policy. The Soviets ought to refrain from resorting to her unwise practice of making a show of power in the Far Eastern diplomatic arena under the cover of American influence. Rather, as the wisest way for her to choose, we advise her to remove her surplus army from the Far East. Though over 20 states have reestablished their normal relations with Soviet Russia, yet the Soviet has regained little faith in the international political world. This is all because she is of double personality, working the Third International in the same way as she does the Moscow Government, creating incessant discord among capitalistic nations and among their social classes. In view of this dark spot on which stands Soviet's relations with outside countries, we feel inclined to entertain misgivings as to the smooth progress of the resumed friendship.

Hochi, Nov 19: It is but natural that the United States, which has witnessed a yearly decline of her trade with Soviet Russia, should resume friendship with the country. It may be that in future our American and Soviet trade will to some extent be affected, but, since the restoration of U.S.-Soviet friendship means bettered international relations, we must congratulate from the bottom of our heart the newly established friendship between the two world greatest Powers. The only question that concerns us most is whether the U.S.-Soviet approach involves a political understanding between them on the Far Eastern or Pacific question. Since the United States and Soviet Russia have many analogous points against Japan, a certain amount of apprehension cannot but creep into our minds, but so long as we stick fast

to our original principle of non-invasion such a fear will gradually be wiped away.

Opinions in Government Circles

Foreign Office (Tokyo Nichi Nichi, Nov. 91): The Foreign Office regards the American recognition of Soviet Russia as a matter of course. Although no official report of the recognition had reached the Office up to noon Saturday, a spokesman expressed the following impression: "We have been fully expecting the American recognition of Soviet Russia. On our part, it is rather a cause for felicitation from the standpoint of the promotion of world peace and the welfare of humanity, that the great Powers of the United States and Soviet Russia have effected this rapprochement. As to the fundamental foreign policy of the nation, there will be absolutely no change at all on account of the recognition. Our attitude toward the United States and Soviet Russia is quite apart from the recognition question. Although it is not known to what extent the Soviet Government has recognized the debts to the United States incurred during the Czarist regime and the Kerensky period, if a new stipulation is made between the two nations, Japan must insist on equality with the United States, in accordance with Article 2 of the Yoshizawa-Karahan protocol. The Soviet's Japan policy, following the rapprochement with America, may become somewhat provocative. Likewise, the Nanking Government may again change into an anti-Japanese Government, taking advantage of the recognition."

Army (Jiji Shimpō, Nov. 19): The military authorities observe the situation in the following light: "Seeing that the recognition of Soviet Russia by the United States does not include a non-aggression agreement and other political understanding and that it simply aims at reestablishing trade relations, the event should be regarded as involving an attempt at restraining Japan to a slight degree. That the United States speedily solved the long pending question of recognition of Soviet Russia, indicates America's eagerness for obtaining new markets for her exports. But in view of the similarity of the kinds of natural products we doubt if the United States can realize her original object—if she succeed in atoning for her sacrifice required for the recognition. Since Soviet trade is done by the hand of the Government, it is impossible for it to purchase high-priced commodities and no change will therefore be introduced in our trade relations. Rather, it is feared that the United States may follow the example set by Great Britain in sustaining a loss instead of gaining profit. From various precedents we may safely predict that the United States will soon find herself entangled in various unsavory questions such as the Red propaganda as a compensation for her recognition."

Navy (Tokyo Nichi Nichi, Nov. 19): A spokesman of the Navy Office stated that the American recognition of Soviet Russia was a matter of course. "While we have nothing to say about the question as far as diplomacy is concerned, we do not think our diplomatic relations with those countries have suddenly changed. However, we remember that Roy Howard recently made a significant statement, saying 'the United States must recognize Soviet Russia at once, not only for the necessity of trade but also for the stabilization of the Far Eastern situation.' It is therefore necessary on the part of our navy to watch the attitudes of the two nations from now on."

Aftermath of the Recognition in China

Special to the Tokyo Nichi Nichi from Nanking, Nov. 19; Tokyo Nichi Nichi, Nov. 20:—It has transpired that the United States, placing much importance upon her relations with China following the resumption of her relations with Soviet Russia, has proposed to China the promotion of friendly relations among the three neighbors of China, Soviet Russia and herself, with Japan as their common objective and the report is creating great sensation among Japanese official circles here. Acting under instruction from his home government Mr. Johnson came here from Peiping and, proposing cooperation among the three Powers, expressed the hope that the Nanking Government will reinstate T. V. Soong as Finance Minister, giving a pledge that America will give all possible aid to China, according to her attitude. It is believed that in making the move America had in view the change of the international situation which will be brought about with the expiration of the naval treaties in 1935. The new American maneuver is regarded as intended to hold Japan in check in the new situation.

Mr. Bogomolof, Soviet Ambassador, is also making approaches to the Nanking Foreign Office and has resumed negotiations for the conclusion of a non-aggression pact and a commercial treaty. It is learned that Nanking has proposed to Moscow the conclusion of a secret treaty to give certain concessions to Soviet Russia in Sinkiang Province on condition that the latter refrain from propagation of communism in Chinese territory. It is generally believed that the Nanking Government has changed its attitude toward Japan, but as a matter of fact Wang Chao-ming and Huang Fu are still opposed by those who are friendly to America, and they stand in a difficult position. The pro-American Nanking leaders are greatly encouraged by the American recognition of Soviet Russia, and it is feared they will gain the upper hand over the Wang-Huang faction. Anti-Japanese agitators are engineering terrorism, bombing Chinese stores dealing in Japanese goods. On the other hand, the Nanking Government has decided to impose a prohibitive dumping duty on 10 kinds of Japanese goods. Japanese official circles here believe that while the Nanking Government is not likely to adopt a strong anti-Japanese policy all at once, it will probably take many measures which will affect Sino-Japanese relations much.

The following is the gist of discussions among leading Japanese critics in Tokyo on the American recognition of the U. S. S. R.—Dr. Hitoshi Ashida, Member of Parliament; Kisaburo Yokota, Professor of the Tokyo Imperial University; Dr. Hikomatsu Kamikawa, Professor of the Tokyo Imp. U.; Yujiro Chiba, critic and writer; Kiyoshi Tsutsui, Foreign Office official.

Dr. Ashida:—In my view the American recognition of the U. S. S. R. and the invasion of communistic thought are two quite different affairs. It is a mistaken idea to think that the recognition will dig a special channel to introduce more freely the dangerous thought. Even if Japan sever relations with Russia and build up a Great Wall to dam the Red current of thought, it would contribute little to suppress the communistic thought in Japan. Consequently, we presume the question of communist propaganda did not occupy so important a position in the Litvinov-Roosevelt negotiations as we might imagine. The reason why the American recognition of Soviet Russia has been realized in an atmosphere of comparatively moderate opposition is because the hope for utilizing the chance to contribute something toward home industrial rehabilitation was powerful enough to suppress the objection cries. Besides, to foreign eyes the relations between Russia and Japan have grown tense of late and even threaten to disturb the peace in Siberia. Under such circumstances in some quarters of the United States there must be those who favor the idea of forestalling such an unhappy event by giving aid to strengthening the position of Soviet Russia. This must constitute another principal reason for expediting the recognition. As to how far the recognition will help promote the American industrial recovery we cannot conceal misgivings and it is likewise doubtful to what extent Russia will benefit herself by the rapprochement. Of course it will bring favorable effect upon the moral side of the Russian public, but it is unlikely that such a moral influence will substantially improve Russia's diplomatic position. But at any rate this much is thinkable that, so long as the relations between Japan and Russia and the United States remain in the present unfavorable state, it is not unnatural that the relations between Russia and the United States will become closer.

Prof. Yokota:—I quite agree with you. I too am doubtful how much the recognition will draw the two countries closer. Besides, the event will little affect the position of Japan. No remarkable change will be introduced in trade and political situations, and no fuss over the recognition issue is warranted.

Dr. Kamikawa:—I am of the same opinion as Dr. Ashida and Professor Yokota in that the American recognition of Soviet Russia will cause no marked change in the Far Eastern diplomacy. Nevertheless, I cannot but recognize that it will prove a stimulus in view of the existing diplomatic situation in the Far East. For sixteen years since the establishment of the Bolshevik government in Russia there has been no political intercourse between Russia and United States.

Mr. Chiba:—I have my own idea and it is not widely apart from Dr. Kamikawa's. We understand that even at Geneva Mr. Stimson did not have a talk with

(Continued on page 32)

Canton Hard Hit Financially by Revolution in Fukien

(From the Review's Canton Correspondent)

OUTBREAK of hostilities between the Fukien rebels and the pro-Nanking Kwangtung troops under General Chen Chi-tang, the Commander-in-Chief of Canton, are now considered only a matter of days, according to the most reliable political circles here. The Canton Government, faced with the most serious financial crisis and depositors' run on both its government banking corporations, is most anxious over the Fukien situation and efforts will be directed for a last minute prevention of Kwangsi troops from joining the Fukien rebels and the Nineteenth Route Army. From the very beginning of the secret organisation of this secessionists' movement in Hongkong General Chen Chi-tang had been most watchful and when rumors reached him that even one or two of his most entrusted lieutenants were showing signs of sympathy towards the Fukien secret regime he immediately ordered the reorganisation of the Second and Third armies.

All the Kwangtung troops, reputed to be 100,000 in number are controlled by three armies under General Chen Chi-tang, who is commonly known as the Commander-in-chief of the First Group Army Corps. The three armies respectively are governed by Generals Yu Han-miao, First Kwangtung Army, Heung Han-ping, Second Army, Li Yang-ching, Third Army.

When Li Chi-shen and Chen Ming-shu were conferring with other Fukien commanders and Kwangsi militarists in Hongkong recently over the formation of the Fukien People's Provisional Government Chen Chi-tang was informed that certain of his highest military subordinates had signed to start a movement, which will overthrow him from the Canton government. Suspicion on these rumors was further strengthened by the fact that actually Generals Yu Han-miao, Heung Han-ping and Li Yang-ching and many other military officers now in Canton were formerly followers of Li Chi-shen, when he ruled Canton between 1926-1928.

Two Generals' Resignation

The military crisis in Canton culminated in the resignations of both Heung Han-ping, whose troops ruled Kwangtung districts around Canton and Canton itself and Li Yang-ching, the warlord ruling in the East River districts nearest to the Fukien frontiers. To the greatest surprise of the government circles and public Chen Chi-tang accepted the two resignations without the least hesitation, which leads some observers to predict that Kwangtung is about to witness some serious political and military changes and perhaps even the end of Chen Chi-tang's government. But it has been proved by the subsequent Fukien developments that this change had fortunately been made in time to save a serious revolt from within the rank of Kwangtung's armies to join the Fukien rebels.

Chen Chi-tang has since taken over the command of these two armies, although many of the former Ironside army officers, including General Miao Pui-nam and others have been appointed to be new garrison officers on the East River and within Canton. It will be recalled that the Ironsides were strong opponents to both Li Chi-shen and Chen Ming-shu, who kicked out the Ironside commanders will likely prolong Kwangtung's struggle to 1927. The Ironside commanders have since been most bitter against the Kwangsi army and the Nineteenth Route Army. The appointment of these former Ironside commanders will likely prolong Kwangtung's struggle to prevent the Nineteenth Route Army from entering Kwangtung from the East River.

Canton's Defence Strengthened

From the most authoritative source your correspondent has been told that the Nineteenth Route Army will not attack Kiangsi to get to Nanking, as alleged by their commanders, because the Kiangsi route to Chekiang,

the strongly defended Nanking lines, will prove impossible for the penetration of the Fukien armies. The real objective of Fukien is not Nanking but Kwangtung, the land of rich revenues and foreign trade and centres of railway and river communications in South China. The Nineteenth Route leaders hope to capture Canton within the earliest opportunity, whereby they will consolidate their military and political position, before studying for another chance to strike against their opponents in the North.

But is still most doubtful if the Nineteenth Route Army can realise their objective so easily without the support of Kwangsi, the immediate neighbor of Kwangtung. Kwangsi has been known for years as the province possessing a good fighting army, but Kwangsi's poor revenue has prevented its warlords including Li Tsung-jen and Bei Tsung-hsi from accomplishing their ambitious schemes to take Kwangtung. Being himself a native of Kwangsi, Li Chi-shen has for years worked closely with the Kwangsi army commanders. The Kwangsi group with this trio and General Huang Shiuh-shung only ceased to be an influential military faction in China since 1928, when Li Chi-shen was ousted from Canton and other Kwangsi armies by an inglorious defeat in Hupeh and were forced by circumstances to retire into Kwangsi. Their subsequent struggle against the Yunnanese armies' invasion, which almost captured Nanning, Kwangsi's capital, has further crippled the Kwangsi strength. For the last three years the Kwangsi commanders consolidated their armies with the aid of the Canton government and Chen Chi-tang. As members of Canton's highest political committee, the South-West Political Council, both Li Tsung-yen and Bei Tsung-hsi of Kwangsi had established good relations with Kwangtung until the most recent weeks.

Kwangsi Still a Neutral

If the information leaked out from the secret conferences held in Hongkong were to be believed, Kwangsi commanders had secretly participated in the discussions to start this so-called People's Provisional Government in Fukien and one or two of them had even signed the agreement for a Fukien-Kwangsi alliance. These rumors are based on the fact that one of Kwangsi's former rulers, Li Chi-shen, has been elected the Chairman of the People's Provisional Government. Meanwhile rumors are flying fast and thick that Bei Tsung-hsi, one of the best fighters in the Kuomintang armies, during the 1925-1926 Kuomintang expedition to Shanghai and Nanking, has left secretly for Fukien. The Canton government is anxious over this allegation and many telegrams have been sent to Nanning, capital of Kwangsi, inviting both Bei Tsung-hsi and Li Tsung-yen to come to Canton to attend the South-west Political Council's extraordinary session to discuss the Fukien developments. The presence of these two generals is expected by Chen Chi-tang, but so far the invitation has not been accepted. It is definitely known that Li Tsung-yen is in Nanning, while other reassuring news from Foochow has not mentioned Bei Tsung-hsi's arrival there or of the appointment of these two Kwangsi generals in the Foochow Government's military Council.

Kwangtung Invasion Dangers

While the Canton government waits patiently for an official statement or assurance from the Kwangsi rulers for their loyalty to Nanking and co-operation with Kwangtung, the banking community is nervous over the prospect of the Kwangsi alliance with Fukien. So nervous were the depositors in the Kwangtung Provincial Bank and the Municipal Bank of Canton, the two government banking institutions, both with their own bank note issues, that these banks experienced a "run." The Municipal Bank has enjoyed excellent reputation as a strong financial house and the run on it, as experienced during the last few days, was unprecedented. The value of the Municipal Bank notes simultaneously dropped in value below the silver parity for the first time in its history. The run was discontinued this morning after a note of assurance from the Mayor, Liu Chi-wen, that the Municipal Bank would meet all demands of its depositors and the strong security for the \$2,000,000 worth of notes issued had not been touched.

Despite this official assurance another report says that the Municipal Bank superintendent is arranging to raise funds by borrowing against the security of the

Bank's realty holdings. The Bank is confident to meet the demand of depositors, although since this run Municipal Bank notes have dropped about ten per cent below silver parity.

Canton's Financial Panic

The position with regard to the Kwangtung Provincial Bank is still worse, because this bank's notes have recently depreciated much in value and have further dropped upon the news of the Fukien invasion reaching Canton. Furthermore the Kwangtung Provincial Bank has a much bigger issue of bank notes. A run on this bank was started four days ago with the result that the Bank's management has been compelled to announce the suspension of the payment in silver of the \$10 notes for one month. The rumors spread subsequently that the \$2,000,000 silver reserve of this bank had been taken out of the Bank by some one connected with the Government during the last week-end. This is given as the excuse for the Bank's refusal to touch its own \$10. The suspension of payment on these government bank notes has caused a profound gloom in Canton. The situation is aggravated by some arrests of traders and hawkers by the military for not accepting the Central Bank notes in their small transactions, mostly done in street selling.

Public sympathy is with these hawkers, because these notes had dropped much in value and it is most unreasonable to expect the small traders to pay the balance of the deficit in exchange from silver. The number of notes issued by this Bank must be enormous as according to Ching Yu-po, the Bank's Secretary, about 27,400,000 in notes of \$1, \$5 and \$10 are in circulation in Kwangtung. Of this amount, the Secretary assures that a large portion is in the Government Treasury. Rumors from Fukien and the manipulations of exchange speculators trying to make a profit out of the political uncertainty by depressing these notes have been the cause of the run on the banks. The President of the Kwangtung Provincial Bank denied that he had secretly left for Hongkong. The President of this Bank, Shum Tai-wo, told the newspaper correspondents that he was in close touch with Commander-in-chief Chen Chi-tang and the Provincial Finance Commissioner over the latest developments in the financial circles and he does not believe that the notes can go much further down. He said that what had happened in Fukien about this new People's Government was not clear to him or to the Canton Government, but even if there was any political uprising there it would have no effect on the economic situation of Kwangtung. The immediate step the Bank had taken was to restore confidence of the public. It has done all possible to redeem all notes with the exception of the \$10 notes. The president then dealt at length on the different securities against which the notes are issued.

Bankers' Assurance to Public

While real estate could not be immediately converted into cash, the authorities considered it necessary to suspend redemption of the \$10 notes to give temporary relief to the Bank, Mr. Shum added. Mr. Shum assured, however, that the \$10 notes would return to par as soon as the present crisis is over and redemption would be resumed at the end of a month's time. According to Mr. Shum the run may stop as soon as the Fukien situation is more clarified.

Consequent on the depositors' run on the Kwangtung Provincial Bank, the Canton Post Office and all Government departments have refused to accept the \$10 notes for revenues. Other notes of this Bank of \$5, \$50, \$100 denominations, it is understood, will be accepted at heavy discount, possible as high as forty per cent.

In Hongkong the Kwangtung Provincial Bank's notes have depreciated to 17 i.e., \$17 (Hongkong money) for \$100 Kwangtung Provincial Bank notes, which is the lowest record for the last ten years.

It will be remembered that even in November 1927, one could get better prices for these Kwangtung Provincial Bank notes, although at that time the bank was denuded of its silver deposit, when during the collapse of the Ironside administration, one of the officer left Canton with a good portion of the Bank's silver reserve. In December 1927 the Communists looted the bank and burned down by fire its Bank Building, but on both these occasions the notes had never depreciated to its present state.

Hsiao Fu-cheng Speaks

Some of the Canton officials have declined to comment on the Fukien and Kwangsi situation until the political view is more clear. But some outspoken com-

ments have been made by Hsiao Fu-cheng to a press representative. He says: "If the Fukien authorities have the same policy as ours, namely suppression of Communism and resistance of foreign aggression, their movement will not be opposed by my colleagues on the South-west Political Council. General Chen Ming-shu is reported to be taking command soon of the post of the Commander-in-chief of Fukien Kweichow, Yunnan, Kiangsi and Kwangsi. In fact, his sphere is confined to Fukien only according to this veteran member of the Canton Political Council. The four other provinces have not adhered to the Fukien movement, while Kiangsi is largely ruled by Nanking troops with a small portion occupied by the bandits.

As regards Kwangsi, the policy of Canton is fully endorsed there, so the two provinces will strive to continue their friendly relation, of the last four years. The idea of a Kwangtung-Kwangsi conflict is very remote. As to the Nineteenth Route Army these troops are still getting the financial support of some lakhs a month from Canton and the Canton Government has well fortified its frontier against unexpected developments and invasion."

Members of the South-west Political Council assembled for a meeting on Thursday afternoon to discuss the Fukien development with a view to issue a statement for the country. Those who took part in this important meeting were the Commander-in-chief, General Chen Chi-tang, and Messrs. Tang Shao-yi, Chow Lu, Lin Yun-koy, Hsiao Fu-cheng, Tang Tse-yu, Au Fong-po, Lin Yik-chung and a few others. After a long deliberation the meeting resolved to send a telegram to the Fukien independence regime in the name of the South-West Political Council.

The draft of this telegram will be sent to the Kwangsi commanders including Generals Li Tsung-yen and Bei Tsung-hsi for their signatures. It is anticipated that if the Kwangsi leaders join in this declaration Kwangtung will have the assurance of its neighbor's co-operation. Interviewed by the press immediately after the conference above mentioned, Messrs. Tang Shao-yi and Chow Lu said that the Council was sending a telegram to Foochow in addition to their reply to Li Chai-sum and Chen Ming-shu. The two had asked the Kwangtung leaders to join their movement in a cablegram sent out last week from Foochow.

It is the government's intention to strengthen the East and West River defence and if the Nineteenth Route Army will concentrate their fighting against Nanking troops in Chekiang, not one Kwangtung soldier will cross to the Fukien border, but if any attempt is made to invade Kwangtung through East River, Chen Chi-tang will mobilise his whole infantry, air and naval forces for a resistance.

The Canton Government has about one hundred fighting airplanes, and a whole fleet of small gunboats which can be effectively utilised for defence on the West River in addition to the three northern cruiser formerly of Tsingtao, which joined Canton during the revolt of the Pei Hai Squadron at Shantung some months ago. Canton's army is well trained and in the event of an invasion from Fukien the whole force of the Kwangtung First Army stationed in Kiangsi, now assisting Chiang Kai-shek in the suppression of the Communists, can be recalled for duty. This army is under General Yu Han-miao, who knows every inch of the Fukien-Kwangtung border, having seen many battles there in the eventful days of Li Chi-shen.

As a precaution, the entire Fourth Independent Division under General Tang Lung-kwang has been mobilised from North River for East River and Fukien frontier. Waichow and Miehsien on the East River have been strengthened with additional troop reinforcements, although there is some anxiety whether these East River garrison troops can be depended upon wholeheartedly, because of some discontent after their commander's recent resignation. Although he has resigned from all posts, Li Yang-ching, still remains in Canton. The government arsenal has been working day and night. Night shifts have been put on at the Shek Chang Arsenal. Feverishly the workers are straining to make as many machine guns as they can, besides the production of thousands of bullets and other small ammunitions.

Some airplanes have left for the East River, but very little news in this connection has been released for publication in the newspapers. The government censors have taken great care not to further disturb the uneasiness of the community because of the banking crisis.

Canton, Nov. 24, 1933.

How the Communists Caused Havoc in the Yenping Area

Belated letters from Yenping, Fukien, give some idea of conditions in that unhappy province. The depredations committed by the Communists were on a scale even greater than previous reports had indicated. The accounts given below are mainly by Chinese pastors working under the Methodist Episcopal church, and their experiences are typical. The pastors in the Shunchang district lost all they had; they were not able to save either clothes or bedding. What they fled with, from their homes, was later taken from them by communist troops enroute. The 56th Army which opposed the Communists tried as much as possible to avoid damage or death involving innocent people, but the West Gate of Yenping, which is a wreck, was destroyed by the 56th Army, who burnt down a large section outside of the gate in order to be able to see if the Communists were getting near the city. They did get near during one attack so this territory was burnt down. The people were not given any time to save any of their things. The burning was done at night. One correspondent relates how he heard that the Communists had suddenly appeared at Haia-mou 20 miles inland from Sha-hsien. They came up from the southern part of the province. There they divided into several divisions, one division cutting across the mountain to Shunchang and Yengkou, the other over the mountains to Wangtai, which is but 20 miles from Yenping City. On the morning of Aug. 25 about daybreak one division reached Wangtai and the other division reached Shunchang about the same time. As soon as word reached Yangkou the 56th army troops there hurried in launches to Yenping. As they went past Wangtai, suddenly the Communists opened fire on them, causing much damage and succeeded in holding up one of the launches in which was much flour and ammunition, also a number of soldiers. At the same time hundreds of little rice-boats left Yangkou with valuable cargo and many people fleeing from the invading Communists. These people did not know the Communists had already reached Wangtai. The result was that most of the boats were held up at Wangtai and robbed of all the valuable cargo and many of the passengers were taken prisoners or just held temporarily.

Taipuchen, a town on the Kiangsu-Anhui border was occupied and thoroughly looted by a band of bandits Nov. 18. The local militia, a mere handful of forty men armed with rifles, were overpowered and disarmed.

A large group of bandits from South-eastern Honan is again threatening Taiho and Yinchow, in Northern Anhui.

In order to rehabilitate the economic situation in the various rural districts in Kiangsu province, a Rural Economy Relief Conference has been convened at Chinkiang under the auspices of the Kiangsu Provincial Government. A resolution was adopted Nov. 18 to petition the Central authorities to raise the import tariff on foreign foodstuffs, so as to alleviate the economic distress of the people.

Another success against the Reds has been achieved with the capture of Wankwei, a town on the Kiangsi-Fukien border, 50 Communists being killed in the process. Three disloyal provincial officials were taken prisoners and executed. Meanwhile 200 Reds are reported to have surrendered to Hunan provincial troops at Tsangchih, south of Pinghsiang.

Dr. Lo Wen-kan issued a statement at Nanking, Nov. 26 expressing complete surprise at the rumors that he had declared in an alleged interview with a foreigner that the Government's communist suppression campaign in Kiangsi was unsuccessful.

Communist Caught with Pistol in Chapei

The Peace Maintenance Corps of Chapei, Nov. 17 arrested two men who are alleged to be members of a communist organization. A pistol was found on one of the prisoners. According to the vernacular press, Chinese communists have been very active among industrial workers in the Tantsewan district of Chapei.

Yinshan Recaptured by Yang Sen, But at Great Cost

Yinshan was recaptured by General Yang Sen's troops on Nov. 23. The Communists defending that city are stated to have suffered more than five thousand casualties while the provincial troops lost about a full brigade in wounded and killed.

The 20th Army under General Yang Sen paid a high

price for the recapture of Yinshan, which about 90 miles north of Chungking. Half of the brigades under Major-General Yang Han-yo and Hsia Chiung were either killed or wounded. In recognition of his meritorious services in recapturing Suiting and Hsuanhan, two important cities situated about 60 miles north-west of Wanhshien, General Chiang Kai-shek, has telegraphed to General Wang Ling-chi, Commander of the 5th Route Army, commending him on his strenuous efforts. It is reported that General Wang will be promoted Commander of the 23rd Army, in succession to General Liu Tsun-hou, dismissed.

The latest reports from the Szechuen front state that the Communists are making a desperate counter-attack on the provincial troops at Sanwei, in the vicinity of Chuh-sien. The attack is being made from four different directions. The provincial troops there, under commander Fang Shao-tseng, have put up a stubborn resistance and are still holding that city, although they have suffered heavy casualties. General Liu Hsiang has ordered more troops to Sanwei to reinforce the defenders there.

The detachment of Communists under Ho Lung, which penetrated into Eastern Szechuen from Hupeh in an attempt to join up with Communists in Northern Szechuen, was driven back by the Szechuen provincial troops of end last week. One division of the Szechuen forces has penetrated into Western Hupeh in pursuit of the retreating Reds.

The *Ta Kung Pao* (Tientsin) comments:—"Recent reports from Szechuen indicate that there is not much activity in the anti-Communist campaign although there is considerable talk of an advance on the Reds by five routes. Judging from the disposition of the various forces engaged in the campaign, it would seem that General Liu's forces are still being saved the brunt of the campaign. As it stands, the organization of the attacking forces is very weak and liable to be broken by the Reds at its most vulnerable points. Unless General Liu Hsiang is prepared to bear the necessary sacrifice, not only is there no hope for the recovery of Suiting and Hsuanhan but they will have considerable difficulty in maintaining their present position."

Cantonese Move to Restrict Fishing by Japanese

Along with other reconstruction projects, a comprehensive program has been drafted by the Canton Government for fishery reforms. As a preliminary step towards reform, four fishery districts have now been mapped out, namely Kwanghai, West River, Pearl River and Swatow, to facilitate government control. In the proposal for reform, great emphasis is laid on the necessity for protection of Chinese fishing rights. It is pointed out that over \$60,000,000 worth of fish is taken annually from the waters along the coast of China by Japanese fishermen alone, and that the activities of Japanese fishing craft are increasing every day.

Chinese Newspaper Man Assassinated at Sian

Chiu Yuan-wu, managing director of the *Hsinking* (Sian) *Jih Pao*, was assassinated at 7 o'clock p.m. Nov. 22. He was suddenly accosted by six gangsters, armed with pistols and daggers, who fired at him point-blank, as he was leaving his home for his office. His body was later found with two bullet shots and two dagger wounds. Being an earnest Kuomintang worker and an experienced journalist, the deceased was appointed by the Central authorities to conduct the newspaper three months ago. Ever since his arrival at Sian, Mr. Chiu worked indefatigably in defending the cause of the Party and in the propagation of the Party Principles. As a result, he aroused the hatred of the reactionary elements, who it is believed, finally decided to dispose of him. He was only 26 years old.

Large Order for Railway Cars Placed in Great Britain

An order has been placed in Great Britain by the Chinese Ministry of Railways for a large number of railway cars to be distributed among the various government lines. The order includes 4 locomotives, 16 passenger coaches, 20 40-ton flat wagons, 210 all-steel open wagons, 25 all-steel enclosed wagons, 2 guard cars, and an official coach. According to the purchase contract, the entire consignment is to be delivered by May next year. The Lung-Hai, Canton-Hankow, Shanghai-Nanking and Tientsin-Pukow Railways will benefit by the new order.

Partisan Politics and Fascism in Japan

CHEN PIN-HO (陳彬龢)

(Continued from last week)

THE stand of the conservative wing of the Seiyukai differs entirely from that of the aggressive elements. They have opposed a complete overthrow of the present Saito regime, advocating only partial reorganization. Education Minister Ichiro Hatoyama of the Saito cabinet represents this wing, insofar as its opinion concerning the cabinet is concerned. He has proposed a system of Muninsho, or "Ministers without portfolio." According to this plan, the presidents of the Seiyukai and the Minseito parties should participate in the cabinet in the capacity of Muninsho in order to consolidate the status quo of the Saito regime and to avoid friction between political parties during the present difficult period.

The unification faction headed by Fusanasuke Kihara maintain that disadvantages outweigh advantages in regard to struggle between rival political parties. For instance, a rival party does everything possible to overthrow the other party in power even when the latter is not in the wrong. Thus, the party in power has to prepare for defence, which usually distracts its attention from government affairs. Should all of the parties be unified, the government would be free from attacks of political rivals and might devote more attention to the vital problems of the state. This faction also suggests reorganization of the Saito cabinet but is strongly opposed to its entire overthrow.

From the very beginning, the Minseito has supported the Saito cabinet and has considered it a medium to help Japan through the present emergency. Evidently, since the Minseito is comparatively weak, it will not be able to get back into power even when the Saito cabinet is overthrown. On the other hand, as long as the Saito coalition government is maintained, the Minseito members may share a few seats in the cabinet.

The Privy Council and the People's Union (fascist organization) closely connected with the War Ministry and other fascist elements have also supported the continued tenure of the Saito cabinet, inasmuch as it is doing everything to meet their wishes.

From Muninsho Plan to Unified National Policy

In view of the foregoing, it is evident that the militarists, bureaucrats, Minseito leaders and fascists have remained—for the time being at least—in support of the regime under Premier Minoru Saito. Even the conservative and "unification" elements of the Seiyukai disapprove complete overthrow of this regime. Under the situation, the aggressive wing of the Seiyukai has been compelled to compromise, in view of its own hopeless position. The Saito cabinet has, thus, been permitted to stay.

Now that the Saito government has found itself free from the danger of immediate overthrow, it is endeavoring to concentrate the political forces in the country in order to avoid clashes and to consolidate its own position so as to cope with the grave emergency in domestic and international situation. The first step towards this direction is a proposal to adopt the system of Muninsho.

As stated, this plan was originally suggested by Education Minister Ichiro Hatoyama supposedly with the approval of Sutsuki of the Seiyukai. It calls for the appointing of Sutsuki and Kakatzuki, leaders of the Seiyukai and the Minseito respectively as Munishos to insure close co-operation with the cabinet. When the question was discussed with Premier Saito, Hatoyama definitely told him that should he take this matter up with Sutsuki, it was believed that the Seiyukai leader would at once consent to participation in the cabinet. ("Analysis of Political Partisanship" appearing in the Kaizo of October 1933). This utterance throws, also, interesting sidelights upon the conciliatory attitude of Sutsuki.

However, as the situation developed, the Minseito has strongly opposed the proposal. Wakatzuki of the Minseito declared that his party "has already co-operated with the Saito regime and he himself is not anxious to participate actively in the cabinet." Too, the opinions among cabinet members on this question have been divergent. In spite of the mediation on the part of Finance Minister Takahashi and Education Minister Hatoyama the proposal has been dropped indefinitely. In view of the complications in the situation, Sutsuki has also re-

signed from his former anxiousness to participate in the Saito cabinet.

The movement for consolidating the cabinet was not hindered by the failure of the Muninsho plan. Steps have later been taken to readjust the national policy.

This new move was originally advocated by the conservatives of the Seiyukai largely at the instance of the military clique. In view of the threatening international situation, particularly the strained relations of Japan with Soviet Russia and the United States, the militarists have considered it necessary to enlist the co-operation of political and financial leaders in order to put up a united front against other Powers, through the means of the so-called "First Principle of National Defence." The activities of the Japanese militarists in this connection are shown by the following Rengo's Tokyo telegram of October 13th:—

"The Five Ministers' Conference has an important bearing upon the so-called National Policy of the Extraordinary Period as recommended by War Minister Araki. It is believed that the War Minister's proposal is incorporated in the agenda of the Conference for the next few days. The outlines of the proposed policy are as follows:

"(1) National defence—Immediate steps should be taken to make plans and preparations for the adequate protection of a minimum of Japanese territories. This should be completed before 1936.

"(2) Diplomacy—In diplomatic relations, the first principle should be an endeavor to remove, through conciliatory measures, the threatening situation confronted by Japan. Simultaneously, the attitude towards China of the past should be changed and efforts should be made to avoid stressing too much upon techniques. The basis of diplomatic negotiations with China should be the elimination of elements in support of the anti-Japanese movement.

"(3) Agriculture—The government should encourage abundant production, revise the land and local taxes, control fertilizer prices, improve currency control, and readjust loans.

"(4) Thought—By revision of the educational system, the government should promote Japan's traditional spirit, remove social evils, and reject dangerous thoughts of foreign origin.

"(5) Manchurian policy—As a first principle, Japan must assist Manchukuo to become an ideal independent state. The industrial development of Manchuria, which should be in line with the first principle, must receive Japanese aid on basis of the Japan-Manchukuo Economic Bloc, disregarding sacrifices in Japan's domestic industry.

"(6) Finance—though stabilization of finance is essential, it is quite impossible in a period like the present. In order to meet the present extraordinary emergency, necessary expenses should be incurred without hesitation. It is yet questionable whether, or not, the existing expenditures will seriously affect the nation's economic and financial situation."

It is readily seen that the national policy as proposed by War Minister Araki concerns, aside from military affairs, all diplomatic, economic, internal and financial questions as well as the problem of "thought." In this way, Sadao Araki endeavors to establish a military dictatorship. He declares that efficient control of national economics and strong diplomacy are essential to the success of military forces. In other words, he aspires to bring all physical, economical and financial elements of Japan under his military control.

The Five Ministers' Conference

Eventually, the Japanese leaders have come to the conviction that unless a concrete unified national policy is established, it will be impossible for them to meet the situation of manifold difficulties.

Thus, the so-called Five Ministers' Conference was called, largely at the demand of War Minister Araki, for the discussion of problems concerning finance, diplomatic relations and national finance. The personnel comprised of Minoru Saito, the Premier; Korekujo Takahashi, Minister of Finance; Koki Hirota, Minister for Foreign Affairs; Sadao Araki, Minister for War; and Mineo Osumi, Minister of the Navy. It took place

from October 3rd to 20th, 1933, in a series of five meetings.

The discussions were centered upon the so-called National Policy proposed by War Minister Araki.

The most important question from the standpoint of the War Ministry has been the plan of national defence and armament expansion connected with impending wars. This is fully demonstrated in the estimates for military appropriations. The estimates as brought up by the Army and Navy for the year 1934, total approximately Yen 1,300,000,000, of which Yen 800,000,000 being "new requests." Although the Finance Minister would do his utmost to comply with the demands of the militarists, it is hardly possible to make the two ends—national defence and finance—meet, as Japan's treasury is already in a helpless condition. Further exorbitant increases of military appropriations will be the last straw for the camel's back.

The bulletin of the last meeting of October 20th stated that: "the Ministers have unanimously approved of the plan concerning diplomatic relations, national defence and finance after careful consideration of, and exchange of opinion on, the vital points of the questions." On October 21st, a cabinet meeting adopted the following resolution in regard to the decisions of the Five Ministers' Conference: (Nippon Dempo's Tokyo telegram of Oct. 21, 1933)

"Japan's foreign relations—Efforts must be made to carry on Japan's policy, through diplomatic tactics, to maintain world peace.

"National defence—Japan will stand against foreign intervention or threats, while attention must be paid to maintain the strength of the nation."

As far as ascertainable, the detailed important minutes of the Conference have not been made accessible. The information contained in the above official declarations is too meagre to be useful as a gauge of the situation.

The editorial of *Yorinuri Shimbun* of October 24, 1933 stated: "The so-called Five Ministers' Conference has gained nothing in substance. The complicated political situation of Japan is not improved in the least." The editor of the *Asahi Shimbun* on October 23, 1933 openly declared that ".....In view of the result, it is not necessary to call the Conference. The so-called Five Ministers' Conference has, in fact, accomplished nothing, except that it has forced all divergent opinions to surrender to the desire of the War Ministry." The excerpts of these two editorials clearly indicate the actual phases of the meeting. First, the Conference was called under the auspices of the War Ministry, and Premier Saito, Finance Minister Takahashi and others have again surrendered to the militarists. The so-called national policy has been drawn up in accordance with the wishes of the War Ministry. Second, the disparity between finance and armament has remained a difficult question, and all relative problems have not been solved. However, the War Ministry has thus been enabled to do whatever they please in order to further their militarism.

Partisanship or Fascist Dictatorship?

As previously stated, the opinion was advanced in certain circles upon formation of the Saito cabinet that the new regime would serve to prevent the advance of fascism. It was believed that should a partisan cabinet be established upon collapse of the Inukai regime, it would only urge further growth of the fascist movement. On the other hand, should the excited public feeling be permitted to cool down naturally and should social order be gradually restored, partisan politics would again come back to power. Tsunego Baba, one of the well-known political critics in Japan, represents this school of opinion.

However, it must be pointed out that fascism springs up in any country where a breakdown of capitalist system is imminent. Now that Japan has been confronted with an extraordinary emergency and the Japanese capitalist system is at a low ebb, the country has become a "hotbed" for the growth of fascism. The present situation drifting towards wars with the United States and Soviet Russia, coupled with the menace of national bankruptcy, has further contributed to an early realization of a fascist regime.

Saoto Araki, the omnipotent militarist and head of the fascist movement, is showing his hand on every activity of the government. Under the present formidable influence of the military clique, it is interesting to note the attitude of political parties.

The Minseito, content with subjugation, has survived by adhering to the Saito cabinet. It has probably given up any hope of again coming into power. The Seiyukai, with a positive majority of seats in the House, endeavored futilely to obtain the governing power, but, at the inducement and threats of the War Ministry, has remained reticent. The conservative and unification elements of the Seiyukai have unconditionally supported the present cabinet. Even the aggressive wing under Sutzuki has also abandoned its irreconciliatory policy and has tried to cooperate with the Saito regime. The ranks of political parties have been affected, to a great extent, by fascist influence. From these facts, it may be deduced that the downfall of partisanship is in store.

As a last struggle, elements of the Seiyukai and the Minseito represented by Ichiro Hatoyama, Fusanasuke Kuhara, Toshio Shimata, Kochiro Tomita, Makoichi Tawara and Ichita Kabashi, have recently launched the so-called constitutional movement to prevent the fall of the constitutional system and to restore the confidence and power of political parties. However, Wakatzuki and Matsuta, president and general secretary respectively, of the Minseito declared that "the movement is unjustifiable and without momentum value"; hence they were opposed to it. (Evening edition of *Yorinuri Shimbun* of October 31, 1933). A portion of the Seiyukai members, too, considered that the movement had been actuated by selfish motives on the part of Hatoyama and a few other party executives without the approval of the party at large. (*Yorinuri Shimbun* of October 31, 1933). Therefore, it is evident that the constitutional movement has been nothing but "a flash in the pan." It has faded out in a short while.

Should the situation of extraordinary emergency in Japan be settled at once, partisan politics would possibly return to power again. But the settlement is most remote. Japan's international and domestic situation will probably never return to the status prevailing before September 18, 1933, especially since the militarists have already taken all prerogatives upon themselves. From all of these indications, it appears that the Saito regime will be replaced, inevitably, by a military dictatorship cemented with fascism in the near future.

Funds for National Leprosarium to Be Raised

The second meeting of the Preparation Committee of the proposed National Leprosarium of China was held at the Shanghai Bankers' Club Nov. 25. Among those present were Dr. Li Ting-an, Commissioner of Public Health of Greater Shanghai (represented by Dr. Yiu Chi-wha), Dr. Li Shunkao, of the Medical College of Tung Chi University, Kiang Wen-yu, of the Vocational Education Association (represented by Dr. F. C. Yen), Loh Pah-hong, Dr. F. C. Yen of National Medical College, Messrs. P. K. Chu, Anson Wong, M. C. Kao and T. C. Wu of the Chinese Mission to Lepers. It was decided that a financial drive with an object of raising \$60,000 be launched at once so as to make it possible for the early completion of this much-needed institution.

Ministry of Communications Protests Against Cable Companies' Infringements

In an order to the Bureau of International Telegraphs, the Ministry of Communications instructs (Nov. 26) that a protest be lodged with the authorities of the Great Northern and Eastern Extension Cable Companies against their distribution of notifications to various organs, without the knowledge and permission of the Ministry, regarding the new regulations governing the transmission of international cables to be promulgated in January next. It is pointed out that the Companies' action is an infringement of the Chinese Government's rights. A written guarantee against its repetition in the future will be demanded.

Victims of Chapei Onslaught Continue to Seek Insurance Redress

Forty policy holders of the Chapei Devastated Area are continuing the agitation for compensation. A visit was made to the Compensation Demanding Group headquarters at 18 Kiaotung Li, Kiao Yung Road Chapei, Nov. 24, to request information regarding efforts made to procure sums from foreign insurance concerns. The supplicants were told that negotiations were still in progress between the Bureau of Social Affairs and the local foreign firms.

Political, Racial and Social Complications of Sinkiang

This article, published in cooperation with the People's Tribune, was written by Jefferson D. H. Lamb (Lin Tung-hsi), Councillor of the Nanking Minister of Foreign Affairs, who accompanied Dr. Lo Wen-kan, Minister of Foreign Affairs, on his recent trip of investigation to Sinkiang province.

SINKIANG, being a remote frontier province of China, where means of communication are poor and primitive, is little known to foreigners and Chinese alike. In land area Sinkiang is the largest province in the Chinese Republic, and is larger than Manchuria. In population Sinkiang is about one-tenth the size of Manchuria, that is, three million in Sinkiang against thirty million in Manchuria. In natural resources Sinkiang is undoubtedly one of the richest provinces of China. But, unfortunately, this largest and rich province has long been neglected, both politically and economically. Sinkiang, therefore, may be studied from the political, racial, economic and social aspects so as to throw more light on the subject under discussion.

I.—The Political Question

Politically, Sinkiang has been misgoverned, and, because of its closed door policy Sinkiang is still politically backward. There is no such a thing as *law and order*; hence, in Sinkiang *might is right*. Since laws are dead letters, the doors of law courts are seldom or never opened. The judges and court presidents are either opium-smokers or men without any law training. I have absolutely no doubt that they have never read the laws promulgated by the National Government. Perhaps, there is no necessity for reading them. With the exception of a few Chinese the people are unaware of what is going on in China. There are very few people, even officials, who are really acquainted with public affairs and the administration of the Central Government. One day I was asked by one of the responsible heads of the Sinkiang Provincial Government as to who T. V. Soong was, and many people have never heard of Lin Sen and Wang Ching-wei. Even the Prince of Hami had never heard of the Minister of Foreign Affairs and concurrently Minister of Justice, Dr. Lo Wen-Kan, until September second, 1933, when they both met at Hami. This explains how backward the Sinkiang people are, and their backwardness is due to the fact that there is not a single newspaper published in the entire province. Consequently, Sinkiang has been out of touch with the Central Government.

The task of maintaining order is entrusted to the Chairman of the Provincial Government and the Tupan. The present Chairman is a civilian and literary man, who has been a resident of Tihua (Urumchi) for forty years, while the Tupan is a military man from the Northeast. The former chairmen, Gen. Yang Tseng-Hsin and Gen. Chin Shu-Jen were concurrently tupans. Gen. Yang ruled Sinkiang for seventeen years (1911-1928) with an iron hand, but during his tenure of office there was, comparatively speaking, peace throughout the Province of Sinkiang. In spite of his autocratic rule, the Mohammedans, Turkis and Kazaks especially, liked him very much, and, when he was assassinated by Fan Yu-Nan, Commissioner of Foreign Affairs for Sinkiang, the Mohammedans wept as a sign of respect and as an expression of sympathy for their ruler's death. In other words, despite his defects, Yang Tseng-Hsin was capable of unifying the different races in Sinkiang under his rule for a period of seventeen years, when the people enjoyed peace.

Chopped Off the Heads of Opponents

My first impression of the political administration of Sinkiang was *autocracy and cruelty on the part of the ruler and fear on the part of the people*. In Sinkiang every citizen knew Gen. Yang as an overlord and autocrat; but everybody regarded him as a good governor. This shows that autocracy really worked during Yang's administration. Might actually brought about right and commanded respect. One of the best stories told of Gen. Yang was that he had no mercy on the rebels or suspects of staging a revolt, or political agitators or even those who had criticised his policy and administration. He dealt with such persons with an iron hand in that he usually invited such persons to dinner, and, in the course of which he ordered his guards to chop their heads off.

During the seventeen years of his rule nobody dared to say a word against him and his administration. The methods employed in the administration of government in Sinkiang were similar to those employed in Europe during the Dark Ages or during the seventeenth and eighteenth centuries. To those who have any knowledge

of history and the administration of government such a system of political administration must be regarded as a savage act, and to those who have had legal training such a system adopted in the administration of justice must be considered as a violation of the moral principle and as an injustice, for the elimination of which that law is made.

General Yang was succeeded by his commissioner of finance, Gen. Chin Shu-Jen, as Chairman and Tupan of Sinkiang. The immediate cause for Yang's assassination was that he permitted no one to leave Sinkiang. All those who went to this remote frontier province from China Proper were not allowed to return to their respective native provinces, and, even news of death of their parents was kept from them. In brief, they were practically imprisoned and enslaved. Consequently, even his own friends were not satisfied with his administration, and one of his most trusted friends and colleagues, the commissioner of foreign affairs, assassinated him with a hope of bringing about a political change in the interest of the oppressed. Unfortunately, however, Fan Yu-Nan was arrested by Chin Shu-Jen, another follower of Yang Tseng-Hsin. Chin, of course, acted in his own selfish interest, and took the lead in having Fan executed. After Yang and Fan had passed away from the political scene, Chin Shu-Jen became Chairman and Tupan of Sinkiang for four years, and brought about misery and suffering to the three million people of this remote province of China. During the latter part of Chin's administration, the so-called "Mohammedan Revolt" was started, and as a result of this civil war, countless numbers of Sinkiang's people, particularly the Turkis and Kazaks (Mohammedans), had been rendered homeless and destitute at the time of the arrival of the High Commissioner, Dr. Lo Wen-kan, to Sinkiang.

In spite of the short stay at Hami we had, however, visited all the places, including the Prince's Palace, which were completely destroyed by the troops of Gen. Chin Shu-Jen. And from that time onwards, we saw village after village, either partly or completely, ruined as a consequence of the Civil War, and, to use the word of the people who complained, all these villages were destroyed by the troops of Gen. Chin Shu-Jen. We have never been to a single place, where people did not complain of the former Chairman's sins as enumerated above. We are, therefore, convinced that the former Chairman and Tupan was solely responsible for the trouble in Sinkiang.

Judging from petitions, written both in Chinese and in Turki languages, submitted to the High Commissioner by the people in all sections of Sinkiang, we are further convinced that the people of Sinkiang will not be satisfied until Gen. Chin Shu-Jen shall have been severely punished according to law. The people, particularly the Mohammedans, were bitterly against him; they were ready to lynch him if they could get hold of him; they would do anything within their power to have him shot; they hated him so much that they would revenge at any cost.

II.—The Racial and Religious Problems

Racially, Sinkiang has ten different racial groups which, including their origins, may be classified as follows:

1. *Chinese*, most of whom went to Sinkiang as soldiers and servants of Chinese high officials. Later prisoners were sent there for reclamation purposes. However, in recent years the Tientsin merchants went there to carry on trade between Sinkiang and China Proper.

2. *Chinese-Mohammedans (Tungans)*, who went Sinkiang originally from the Province of Shensi and later from the Province of Kansu. At present most of the Chinese-Mohammedans are of Kansu origin, although there is a minority either whose ancestors came from different provinces of China Proper or they themselves went there when they were young.

3. *Tuki-Mohammedans (Tantou)*, who are real Sinkiang natives, a mixture of Turkish and Mongolian races. They form a large portion of Sinkiang's population, and are found in all parts of Sinkiang.

4. *Kazaks or Kirghiz*, who originally came from Southeastern Russia, such as Semipalatinsk and Turk-

menstan. The physical feature of the majority of them resembles that of the Russians, and their way of living is similar to that of the Russians. They are Mohammedans.

5. *Shihpo and Salin*, who form another racial group in Sinkiang. Their origin may be traced to the independent brigades of troops organized for the purpose of national defense during the Tsing Dynasty. They are found in the Ili section, and are engaged in agriculture and pasturage.

6. *Mongolians*, who may be divided into two distinctive groups; namely, the old *Turfutak* and the new *Turfutak*. They are engaged principally in pasturage, and are found in Karashar, Wusu or Siho, and the Tarbagatai region.

7. *Pulutak*, whose nickname is "black fellows," originally came from Turkmenistan, and are engaged in pastoral enterprises. They still have social intercourse with the people in Turkmenistan, and adhere to the Mohammedan religion.

8. *Loyagi*, who originally came from Russia, and their physical feature very much resembles that of the Russians, even more than the Kazaks. They are also Mohammedans.

9. *Tachike*, who originally came from *Pakmir* highlands. They are savage in nature. Pasturage is their occupation and Mohammedanism is their religion.

10. *Naturalised Russians*, the majority of them were white Russians who fled to Sinkiang in order to escape from capture and murder by the Bolsheviks. The majority of them are soldiers. They are chiefly found in Tihua (Urumchi), Tacheng (Chuguchak) and Ili (Kulja). Formerly they belonged to the Greek Orthodox Church.

In spite of the heterogeneous groups of people in Sinkiang, there has been no real racial problem or prejudice. On the whole these ten different races have lived harmoniously. It was not until after two years when the Mohammedans revolted against the oppression of the Chairman and Tupan, Gen. Chin Shu-Jen, that the Chinese, especially those in Southern Sinkiang, have suffered from the effects. This revolt has been commonly known as the "Mohammedan Revolt," but the rebellion was more political and economic rather than racial and religious, although most Chinese in Southern Sinkiang were reported murdered by the Mohammedans. This was due to the fact that Sinkiang had been ruled by Chinese and the Mohammedans had been oppressed by Chinese officials, particularly Gen. Chin Shu-Jen. Hence, maladministration and oppression have accounted for the uprising aforementioned.

III.—Economic Possibilities

Economically, Sinkiang has been unknown to the majority of the Chinese people. In natural resources, with the exception of the Great Desert lying in the heart of the Province, Sinkiang may be considered as being equal to the Three Eastern Provinces (Manchuria), but, unfortunately, all these resources have hitherto remained undeveloped. In trade, except as to the trade methods employed, Sinkiang may be ranked among the best provinces of China; and, with the improvement of the means of communications and the standardization and stabilisation of its local currency Sinkiang may become one of the most hopeful industrial and commercial centres of the Chinese Republic.

Commercially, Sinkiang has been dominated by foreign interests, that is, the British in the South and the Russian in the North of the Province. Owing to the interruption of communication and the depreciation of the local paper tael as a result of the recent revolt Chinese trade has practically been killed, and foreign trade has also been affected. British interests are found principally in Shufu (Kashgar), Sacher (Yarkand), and Hotien (Khotan), which are the chief commercial centres of Southern Sinkiang. The Russian trade is found chiefly in Ili (Kulja), Tacheng (Chuguchak), and Tihua (Urumchi) in Northern Sinkiang, but during the last two years the Russians have extended their influence to the South, such as Kashgar, Turfan, Karashar, and Aksu.

IV.—The Social Question

Apart from the political, racial, and economic questions, there still remains a social problem which, although not serious, must however find a proper and permanent solution. As mentioned above, there are ten distinctive racial groups. Some of these groups have intimate social intercourse with one another, and some have little social relations. Those who adhere to the Mohammedan

religion can have closer social relationship, because of the fact that they have things in common and can take the same kinds of food, whereas the Chinese naturally form another distinctive group because of habit and the way of living. For example, the Chinese must eat pork and use lard for cooking, while the Mohammedans strictly refrain from eating pork and things cooked with lard. Hence, it is difficult, if not impossible, for the Chinese and Mohammedans to live together and eat at the same table.

Language is also an obstacle to a closer social bond, although the majority of Chinese can speak the languages of the different racial groups aforementioned, and some Turkis, Kazaks, and Lagayi can speak Chinese. The language difficulty, however, is partly due to the poor system of education in Sinkiang and partly due to its closed door policy, but poor means of communications may be said to have been responsible for both. In spite of the language difficulty we do not find any hostile attitude in either of the Chinese or the Mohammedans.

Women Backward in Learning, But Faithful Wives

Women, because of the limited opportunity for social intercourse, are not so fortunate as men in learning the different languages. Women, like their Western sisters in the past, still belong to the home, and are destined to be mothers of their children as well as help-mates of their husbands. Although there has been little opportunity for the Sinkiang women to have social contact with men or even with women themselves, there is a beauty about this strict social relation, inasmuch as the Sinkiang women are very faithful to their husbands, and are willing to endure hardship and suffering. I have wondered whether the modern girls in Shanghai will be willing to follow their example, or will they be willing to go to Sinkiang and teach their sisters to dance and the modern way of living, including intermarriage? If they were willing to help their sisters in this remote province, I should like to advise them to spend three months in Sinkiang and the same number of months in Soviet Russia, and, when they return to China, I should like to have the honor to be their match-maker, so that I might find the best possible young men to be their ideal husbands. This is a challenge to the modern girls in Shanghai!

Former Student Arrested as Alleged Accomplice in Hongkew Park Tragedy

Alleged to be one of the chief accomplices in the Hongkew Park bombing outrage of April 29 last when General Shirakawa, Minister Shigemitsu and Consul-General Murai received serious injuries, Kin Seki, a 23-year-old Korean and a former student of the Waseda University of Tokyo, was arrested by the French Municipal Police last week and after being examined was handed over to the Japanese Consular Police. Kin Seki, according to *Rengo*, was arrested in a Chinese restaurant in the French Concession. Kin Seki went to a primary school in Shanghai, and after completing his education at the Waseda University, returned to Shanghai.

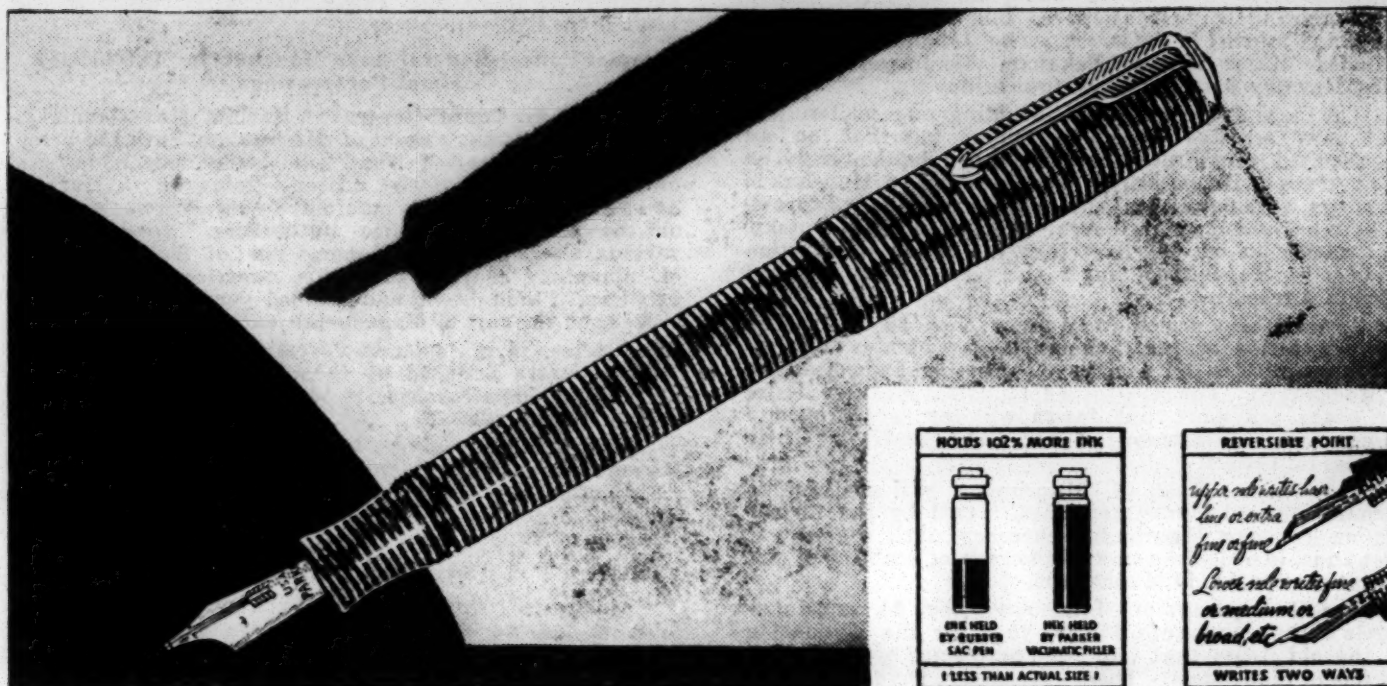
Enquiries by the Police led to his arrest in the restaurant in which he was employed, according to an official report by Consul-General Ishii to Tokyo.

Nanking to Be Asked to Assist to Build Beggar Home

It was brought out at a meeting Nov. 24 of a group of Chinese representing official organizations and public bodies now seeking a grant from the Nanking Government for the purpose of erecting and maintaining an institution for beggars that there are about 30,000 beggars in Shanghai and environs. At present there are two private institutions for the poor established by Chinese, one in Minghong and the other in Chapei. In Kiangwan there is one beggars' institute established exclusively for women by the Chinese Women's Relief Association. The meeting was attended by representatives of Dr. H. H. Kung, Minister of Finance, who is an enthusiastic supporter of all philanthropic organizations, Mayor Wu Teh-chen of Greater Shanghai, Chu Ching-lang, famous flood and famine relief worker, Wang Shiao-lai, chairman of the District Chamber of Commerce, Jabin Hsu, Wang Yi-ting and Chien Shing-tze, a prominent banker. The meeting was presided over by Mrs. Herman Liu, wife of Dr. Liu, president of the University of Shanghai.

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Bandits Wreck Trans-Siberian Express in Manchuria

A daring train outrage occurred on the night of Nov. 26 when a large force of bandits wrecked the trans-Siberian express, with 600 passengers on board, between Lamatientsu and Shaokotsu, on the western branch of the Chinese Eastern Railway, 40 miles east of Tsitsihar. The train fell down an embankment. A detachment of Japanese guards on the train immediately engaged the desperadoes, who fled after a short engagement, taking with them several passengers as captives. The Japanese lost two killed and one seriously injured in the fighting, while it is believed that many others were killed and injured in the wreck. The Japanese passengers included Major-General Takanami, commander of the First Cavalry Brigade; he escaped injury.

The three Soviet nationals, including one soldier, who had been arrested by a Manchukuo gun-boat on an uninhabited island in the Amur River on September 29, on the charges of illegal fishing and invasion on Manchukuo territory, have been released following an apology expressed by the Soviet Consul-General at Harbin M. Slavutsky, and admission on his part that the island in question belongs to Manchukuo, under the terms of the so-called Aichun Agreement.

A manifesto issued in Moscow Nov. 13 by the Far Eastern section of the Communist Party states that the Japanese military authorities are creating an armed base in Manchukuo. The manifesto emphasized Russia's desire for peace, but adds that Japan will lay herself open to immeasurable catastrophe if her imperialists put their policies into effect.

The Central Bank of Manchukuo will continue to exchange the old depreciated notes, issued by the former regime, for new Manchukuo currency until the end of next June, in order to complete the task of stabilizing the currency situation in Manchukuo.

The Government of Manchukuo Nov. 23, issued new bonds to the amount of 5,156,899 yuan for the liquidation of the old debts that had been contracted by the former regime in Manchuria. These government bonds are being sold to the public through the head office of the Central Bank of Manchukuo.

Having obtained authorization from the Manchukuo Government, the International Silver Company, a firm founded by the late Seikichiro Hayakawa, who was president of the S.M.R., has opened its office in the N.Y.K. building in Tokyo for the object of raising capital for a new gold mining company and a trust company which it is planning to establish in Manchuria.

As the Yingkow Commercial Bank is expected to be opened to public business on December 1, the Government of Manchukuo is lending its positive assistance in the bank's efforts to rehabilitating the financial conditions in Newchwang.

Altogether 9,558 applications for the registration of trade marks, under the new trademark law of Manchukuo, were received by the Manchukuo authorities concerned when the law went into effect on Nov. 21.

A joint committee of 36 Japanese and Manchukuo officials in Mukden is expected to be formed early this month in order to study judicial questions in connection with the proposed abolition of Japanese extrajudiciality in Manchuria.

Manchurian Products Decline in Price

The abnormal decline in the prices of Manchuria's staple products, soya beans and kaoliang, is spreading disaster among the farmers. The market price of soya beans is close to the cost of production. The South Manchuria Railway Company has decided to exploit larger markets in Europe for Manchurian soya beans. For that purpose, Mr. Yanagisawa of the Harbin branch office of the railway company, will be sent to bean-consuming countries in Europe, especially Germany. The total exportation of beans to Europe in an average year is 1,500,000 metric tons, including 1,000,000 metric tons under mixed storage and 500,000 metric tons not under mixed storage. Germany consumes 70 per cent of the total.

Negotiation for the proposed establishment of a joint Franco-Japanese investment company, are stated to be progressing favorably. A directors' meeting was held at the head office of the South Manchuria Railway Company in Dairen Nov. 29, which the French representatives attended. The capital will be Yen 100,000 to be

divided equally between Japanese and French shareholders. The President will be Japanese and the vice-president, French.

China Holds Second Place in Manchukuo Trade

China holds second place in the foreign trade of Manchukuo, according to trade statistics compiled at Harbin. During the year 1932 the total amounts of import and export transactions between Manchukuo and all the important ports of China, including Peiping, Tientsin, Shanghai and South China ports, reached approximately \$100,000,000 Manchukuo national currency. Germany holds third place, with a total trade of at \$50,000,000 yuan, of which exports to Manchukuo amounts to \$3,000,000. Japan, naturally, stands at the head of the list.

Soviet Consul-General Asks Manchurian Authorities about Persecutions

The Soviet Consul-General at Harbin, Mr. Slavutsky, visited the diplomatic agent of Manchukuo, Shih Liu-peng, Nov. 25 and enquired what was being done about the unlawful arrests of Soviet citizens, going on in Harbin, and unfounded reprisals against Soviet citizens, carried out by Manchurian police authorities. Dealing with various alleged forms of oppression of Soviet citizens, M. Slavutsky charged that this practice indicated the existence of thought-out and planned persecution of Soviet citizens on the part of Manchurian authorities.

Fourteen more Soviet employees of the Chinese Eastern Railway were arrested by the Manchukuo authorities Nov. 28. No details concerning the nature of their alleged offense is available.

Although negotiations are being continued between Manchukuo authorities and the Soviet officials of the C.E.R. for the reduction of freight rates, by using Manchukuo currency instead of the rouble, no settlement of the question is in sight as yet.

Dairen Paper Says U. S. Will Protect Investments

Commenting on a warning to Americans by George Branson Rea, Manchukuo representative in America, that in the event of war with Russia, the United States will be dragged in on the side of the Soviets because of financial interests undertaken as a result of the agreement for diplomatic recognition, the *Manchuria Daily News* (Dairen) declares: "Manchukuo is not so sure about this. The United States investments in Japan run to many more millions than do her interests in Russia. The United States also has a considerable and ever growing financial interest in Manchukuo which at least would suggest neutrality."

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Chinese Paper Sees Intense Trade Rivalry in China

The *Shun Pao* comments:—"While the restoration of normal relations between the United States and the Soviet Union may serve as a check on Japan's territorial aggrandizement in Asia, it can never frustrate the economic aggression of Japan which traditionally regards itself as the Mistress of the Orient. Due to the economic penetration of foreign Imperialistic Powers as well as to the series of domestic disturbances in the past, commerce and industry in China are languishing, while the rural districts are bankrupt. This state of economic helplessness on the part of China constitutes a rare opportunity for foreign aggression and more vigorous international competition for the Chinese market is bound to ensue. In order to counteract Japanese influence in the Chinese market, the United States is working for the improvement of the value of silver, while Great Britain is also devising measures for the rehabilitation and readjustment of British trade in China. Now that Soviet-American relations are restored, the scramble for market advantages in China is likely to become even more acute."

Colonel Colville, Secretary for Overseas Trade, told the House of Commons Nov. 27 that the President of the Board of Trade would make an announcement on the subject of Anglo-Russian trade as soon as the negotiations now taking place were completed, but he could not yet say when it would be.

Maxim Litvinoff, who negotiated the recognition of the Soviets, sailed on an Italian liner from New York Nov. 25. In a speech in N. Y. before leaving he said the working together of the Soviets and the U.S.A. will tend to preserve the peace of the world. It is believed that he will call on Signor Mussolini in Rome.

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M. Chautemps Succeeds M. Sarraut as French Premier

The French Government was defeated in the vote on civil service cuts in the Chamber of Deputies and resigned Nov. 24.

A new French Cabinet was formed Nov. 26, when M. Chautemps accepted the office of Premier, from which M. Sarraut resigned last week. President Lebrun had offered the office to M. Herriot, but the famous Socialist-Radical leader declined for health reasons. M. Chautemps was Premier in February, 1930, but his cabinet was overthrown the same day it presented itself in Parliament. He has been Minister of the Interior in four cabinets during the last 18 months. Balancing the budget is the new Government's principal task.

Political quarters in Paris and the Bourse are pessimistic in regard to the new government's chances for longevity.

Famine Relief Commission Makes Drive for Funds

The campaign of the China International Famine Relief Commission for funds got into full swing in Peiping Nov. 25, when a corps of campaign workers headed by a group of prominent citizens began to comb the city systematically for subscriptions. A three-week period, from said date until December 16, has been designated for raising the Peiping quota of \$100,000, which is to be devoted to farm rehabilitation in the areas devastated by the recent Yellow River Flood.

Returned French Student Sued for Divorce at Peiping

A the first hearing of a divorce suit brought by Miss Ho Ju-liang against Liang Chung at Peiping Nov. 25 the defendant denied that he had ever been married to the plaintiff, although admitting that he became acquainted with her in 1918 and that they were engaged two years later. On the other hand, the plaintiff maintained that they were married in 1920, and sued him for alleged desertion. Dr. Hu Shih, the dean of the College of Arts of the Peking National University and Chen Shou-yi, chairman of the department of history of the same university, testified for the defendant. Mr. Liang is a returned student from France and now on the faculty of the department of French Literature of Peita.

Hudnut Vanishing Cream Counterfeited—Court Orders Confiscation

Seven hundred jars of vanishing cream, together with empty cartons and labels, were confiscated last week as a result of action in the First Special District Court in finding Ts Zung-woo, manager of the Tien Lee Chemical Industry Company, "guilty of counterfeiting trademarks with intent to defraud." Ts was sentenced to two months imprisonment, but sentence was suspended for two years.

According to the court's findings, the Tien Lee product infringed upon Richard Hudnut's Three Flowers brand of vanishing cream. F. C. Cleary, China representative for the Hudnut interests, was the complainant.

The Fukien Tragedy

BY PAUL K. WHANG (汪仲芳)

THE prophecy that the settlement of the Manchurian problem will be followed by a major domestic political crisis seems to be fulfilled except that the possibility of civil war comes even before the liquidation of Sino-Japanese impasse. It is tragic indeed that the lesson learned from the past two years is not yet bitter enough to hold the military and political leaders together in leading the ship of state out of the present stormy ocean, and that the dissatisfied and self-centered politicians in Fukien should choose this particular time to proclaim an independent government to vent their grievance against the Nanking officialdom. What a great disappointment to the people who have fervently prayed for peace and unification since the Japanese invasion of Manchuria!

Gen. Chen Ming-shu, who plays an important role in leading this separatist movement, is the very man who won the admiration of the nation two years ago for his painstaking and persistent efforts in bringing the Nanking and Canton delegates together in a peace conference and patching up their differences. It is ironical that a politico-military leader who dried his tongue in preaching the necessity of putting up a united front to resist the foreign invasion then, should himself forget his own preachings and breaks the peace and unification of the country at the present time. What is the underlying cause which has thus transformed a staunch supporter of the Nanking Government into its bitter enemy?

Tsai Ting-kai Grieves His Many Admirers

That Gen. Tsai Ting-kai, the popular commander of the famous 19th Route Army, should throw in his lot with the so-called People's Revolutionary Government can not but be grieved by his many admirers. He has been generally looked upon as the hope of China and the model of Chinese military men. In accepting his new post as Chairman of the Military Committee, how can he reconcile his deeds with his words that he and his army would never participate in civil wars? He may have grievance against the Nanking Government for not receiving adequate support during the Shanghai War and also at the present time, but that is far from being a sufficient cause for a general to rebel against the government. In identifying himself with this separatist movement, he has spelled doom to the fame and popularity which he has enjoyed among the Chinese populace.

The participation of Gen. Li Chi-sen and Eugene Chen in the Fukien flare-up occasions us no surprise, inasmuch as their enmity against Gen. Chiang Kai-shek is as deadly as that between a Montague and a Capulet. It is a pity that personal prejudice has been so deeply rooted in the hearts of Chinese officials that it can not be overcome by the consideration of national interests. Whether Hu Han-min will be willing to be the figure-head of the new government can not be established. In view of his advanced age, we only hope that his good name will be saved from any unpleasant complications.

That the so-called People's Revolutionary Government should hoist the anti-Japanese banner can be easily surmised; but this artifice now becomes too dull to win the public support. True, the readiness to accede to the Japanese demands on the part of the Nanking officials has incurred general dissatisfaction; but to stage a separatist movement for the alleged reason of the dissatisfaction of this weak-kneed policy can not be countenanced by the people. What disappoints the people the more is the fact that those who parade under the anti-Japanese banner are always the very ones who will intrigue with the Japanese in bringing the country into a disorganized state.

In including in its political platform the equalization of land and the granting of labor strikes, the Fukien insurgents have apparently left the door open for a compromise with the communists. Although this independent movement has not at the outset taken the communists into its fold, it is only a matter of time that these two anti-government forces will join hands to achieve their common objective in over-throwing the Nanking regime. Fukien, as a matter of fact, has already been overrun with the communists, and Amoy, its principal port, has even been once threatened by the Red-bandits. Therefore the report that the Fukien insurgents and communists have already formed an

alliance can not be passed merely as a piece of propaganda intended to bring discredit to the independent movement.

Even with the reinforcement of the communists, this People's Revolutionary Government has its doom sealed at the very beginning of its formation, if it is not supported by the military leaders in other provinces. At present, this new government represents a mixture of three heretofore irreconcilable parties: the Kuomintang, the Social Democratic Party and the Third Party. As too many cooks are liable to spoil a good dinner, so a host of politicians of different principles can not put up a political system satisfactory to all parties. They may cooperate together for the time being to achieve their common objective, but with the lapse of time, they are likely to paddle their own canoes and strive to reach their respective ends.

Financially, Fukien is not rich enough to support a separatist movement. Its annual income from revenue and other resources is estimated to be \$10,000,000 in normal years. Recently because of the business depression and the constant warfare against the communists, its income is said to be even lower than that figure. The 19th Route Army heretofore received a monthly subsidy of \$600,000 from the Central Government and another monthly subsidy of \$300,000 from Canton. The withdrawal of these subsidies will alone deal a fatal blow to the 19th Route Army and therefore the existence of the new regime. Unless it can manage to secure financial assistance from Japan and other sources, the financial difficulty will prick the bubble of this separatist movement.

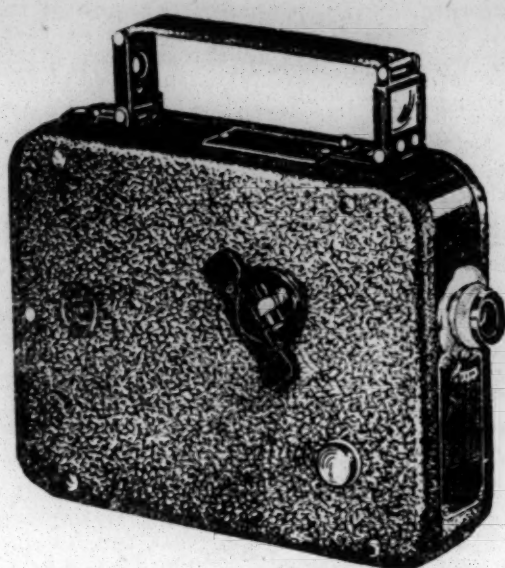
Chen Chi-tang Has No Sympathy for Fukien Insurgents

Moreover, this new regime has to cope with enemies on all sides. Gen. Chen Chi-tang, the "strong man" of Kwangtung province, has no sympathy with the Fukien insurgents and has now been busily engaged in preparing his defence against the possible invasion of the 19th Route Army. The Central Government has already massed four divisions of government troops along the Chekiang-Fukien border to watch the opportunity to attack its rear in case the 19th Route Army makes an attack on Kwangtung. The Kwangsi leaders are now riding on the fence, and will only identify themselves with the new regime if the 19th Route Army can score any material military success.

Besides, public support is also a very important factor which can not be overlooked. Since the Japanese invasion of Manchuria, the people have conducted a nation-wide movement in outlawing civil wars. As a result, an Anti-Civil-War Conference was held last year, and an Anti-Civil-War League has been formed. It has been repeatedly proclaimed by the public bodies that the military and political leaders who dare to oppose the wish of the people will be ostracized from the society. Though the Anti-Civil-War movement has not yet become an effective weapon to stop civil war, yet any separatist movement without the support of the people can not be expected to have a long life.

In view of financial difficulty and other unfavorable conditions, one can not help wondering at the foolhardiness of the Fukien insurgents in committing themselves to such a fatal blunder without first having the issue considered twice. But there are always wheels within wheels in Chinese politics, and therefore we have reasons to believe that Gen. Chen Ming-shu and his followers would not dare openly to revolt against the Nanking Government, had they not first been promised the assistance by many other military leaders who are equally dissatisfied with the present regime and equally ambitious to grab more territories. As verbal promises are not always kept by capricious military men, so it is possible that either they may change their minds after a second thought, or they may pretend to maintain neutrality and aloofness until the political wind is more favorable. One thing we are sure of is that if the Fukien insurgents can score some material military success, many of the military leaders will climb down from the fence and join hands with the separatist movement.

No matter what is the up-shot of this tragedy, its effects upon China and her people will be disastrous. First of all, this domestic political upheaval will bring discredit to China's national prestige in the eyes of foreign countries. The well-wishers will be very much disappointed at finding that the Chinese politicians can not yet sink their personal prejudices and differences in face of the acute foreign invasion. On the other hand, it will supply another instance to the Japanese propa-



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gandists to play up and to illustrate their contention that China is not an organized state. Furthermore, it will discourage those friendly powers who have accorded us moral support in our recent distress.

Secondly, it will supply the Japanese militarists an excuse to extend the Japanese sphere of influence over South China. Because of its proximity to Formosa, Fukien has long been looked upon by the Japanese with covetous eyes. It has been alleged that some secret understandings have been already reached between the Japanese government and the Fukien insurgents. No matter whether there are secret understandings or not, the Japanese have been provided with an opportunity to fish in troubled waters.

And third, it will give a new lease to life to the communists who are now waging a life and death struggle with the government force. This Fukien flare-up will not only slow down the government campaign in suppressing the communists, but will also give the communists an opportunity to strengthen themselves in Fukien province. If the present report of the alliance between the communists and Fukien insurgents is true, it will not take long for the communists to change the present People's Revolutionary Government into a Soviet Government.

Shanghai, Nov. 27, 1933.

British Investments in China and Japan Total £103,000,000

Walter Runciman, President of the Board of Trade, quoting an article in the *Economic Journal*, estimates that £63,000,000 British nominal capital is invested in Japan and £40,000,000 in China and that, out of this total of £103,000,000, £83,000 was in government and municipal securities. Mr. Runciman incidentally said it was at present impossible to undertake negotiations for the conclusion of a general trade agreement with China. He gave assurance that he was watching the situation and that every possible opportunity would be taken to assist British trade in China.

Direct Radio Service to England to Start This Month

The Marconi Beam Wireless Stations contracted for by the Ministry of Communications last year are now rapidly nearing completion, and the opening of direct radio-telegraphic service between China and Great Britain is expected to take place during the next week or so.

At the Chenju transmitting terminal about seven miles from Shanghai, two Marconi beam transmitters are housed in an extended wing of the station building and these are now being connected to already completed beam aerials directed eastward and westward for trans-Pacific and European service, respectively. Chinese engineers who recently returned from England, will be appointed to operate these stations under the guidance of Z. W. Chang, Chief Engineer and General Manager of the Chinese Government Radio Administration.

Two Chinese Customs Cruisers Launched in Shanghai

Two preventive cruisers, the *Haiching* and the *Haishui*, were launched at the New Engineering and Shipbuilding Works, Shanghai Nov. 20, thus adding Nos. 4 and 5 to the list of vessels being constructed in Shanghai for the customs services. Three have already been launched during the past months at the Kiangnan Dock and Engineering Works. The christening was performed by Wu Te-chen, wife of the mayor of Greater Shanghai. The two vessels are of the combined bridge and forecastle type, length overall 137 ft. 6 ins.

America's Demand for Raw Silk Declined During October

Another turn for the worse featured demand for raw silk in the United States during October. Consumption amounted to 28,521 bales, the lowest figure for many years and declining 25,182 bales from the same period of last year and 2,664 bales from September.

Dr. H. H. Kung's Financial Policy

BY SZU H. LIU (劉思訓)

WITH the resignation of T. V. Soong as Minister of Finance in the latter part of October, the grave national crisis which China has been facing since the Japanese armed occupation of Manchuria in September 1931, seemed to have been further aggravated and the position of the National Government, rendered more difficult and enfeebled. The abrupt retirement of Mr. Soong from the Government has not only evoked nation-wide regret, but threatened to precipitate a serious crisis in the Government. The regret is mingled with a sense of fear that Mr. Soong's withdrawal at this moment when his services were urgently needed may deal a serious blow to the Government's Communist Suppression Campaign in Kiangsi which has been in progress favorably and a failure of which would inevitably result in a "Red" Rule over China.

However, fortunately, the ominous clouds threatening a political storm suddenly vanished when Dr. H. H. Kung announced his willingness to assume the responsibility as new Minister of Finance. The acceptance by Dr. Kung of this post at this critical moment when many difficulties besetting the Government are pressing for solution requires considerable courage and demands personal sacrifice. But with his past record in the Government and his knowledge of financial and economic conditions in the country, Dr. Kung seems to be a fitting choice for the post at the present.

In the course of an interview recently granted to the press regarding his financial policy, Dr. Kung said he was anxious to recuperate the national vitality by discovering new sources of revenue for the Government. He condemned reckless measures to increase the national revenue without due consideration of the ability of the people to pay which, he said, would not only further impoverish the people and tend to exhaust the vitality of the nation, but would provoke popular uprising, leading to serious consequences.

Realizing this, Dr. Kung is endeavoring by all means to avoid saddling upon the Chinese people with further financial burdens. While we do not know what steps the new Minister will take with a view to discovering new sources of revenue, there are several evidently harmful taxations which may be considered as such. The farm land tax, referred to by Dr. Kung in his interview, seems to the writer most detrimental to the welfare of the nation, considering the great bulk of the Chinese population being peasants. Such a tax, if imposed and enforced, would be of most inequitable nature and poor farmers would be the chief victims. I would like also to mention the salt revenue tax which is no less harmful to the livelihood of the people generally. As salt is indispensable to both the poor and the rich, there can be no equitable proportion in their burden of taxation, where the poor, consuming equal quantity of salt or in most cases consuming more, have to pay the same proportional amount of tax as the rich whose income is beyond comparison with the former. The inequity of such an imposition is obvious. Further, the people, in addition to the multitudinous taxes imposed by the Government, have been at the same time subject to many illegal levies. It is hoped that in his endeavour to explore new sources of revenue, Dr. Kung would divert his course from these long trodden and poisonous paths.

Referring to the question of retrenchment, Dr. Kung said that retrenchment should be based upon close and accurate investigation of the matter of expenditure. All the unnecessary expenses should be abolished, while the necessary expenses should not only be continued without curtailment, but should be increased, if such a necessity arise. These remarks are most pertinent. However, during the past two or three years, the budgets of the National Government have been formulated on a strictly economized basis with the exception of one item—that of military expenditures which have been rapidly on the increase every year because of the urgency for funds to carry on the Communist Suppression Campaign. In view of the present deplorable financial condition of the Government, drastic measures of retrenchment have to be taken in various other departments of administration. But there should be admitted two exceptions which are even more important than the Communist eradication campaigns and which should not be affected by the economized policy of the Government. These two exceptions are: national reconstruction and

education. No matter how grave the national crisis may be, these two factors in the make-up of a nation can not be neglected. So far as China's present situation is concerned, the importance of the work of reconstruction is predominant. As to education, it goes without saying that the country could not afford to close down schools in order to conserve national wealth for destructive purposes.

Moreover, reconstruction and educational development are inter-related and mutually dependent. Popular and universal education is one of the major objectives in the Kuomintang program of national reconstruction. Although marked progress has been made in education in recent years, it is a long way to reach the goal which Kuomintang sets for itself to attain, considering the startlingly high percentage of illiteracy in China. Its full realization depends among other factors mainly upon economic reconstruction and the availability of funds resulting from it to forge ahead the educational progress.

Since the establishment of the Republic, "retrenchment" has been a most favorable word on the lips of high Government officials, especially those holding purse-strings in the Government. But the lamentable fact is that such a policy appears too good to be practicable. What is more ludicrous in the proverbial talks about retrenchment is that Government expenditures are always on the increase and that the dismissal of some superfluous and corrupt officials as a supreme effort to enforce such a salutary policy is always followed by the appointment of a larger number of recruits who nine out ten cases are friends and relatives of the official making the dismissal. What can one expect from such a retrenchment policy? One can only look confidently for the increase in Government expenses instead of a reduction of them. It is just like putting a cart before the horse and will never do. While the public make create uproars condemning individual officials, the remedy for the cure of such a political malady lies solely in the hands of the high Government officials who speak and execute such a policy. The readjustment of this dark side of Chinese officialdom requires sublime personality and exemplary type of statesmanship.

A Delaware-Incorporated Japanese Company to Issue Lottery Tickets

The International Finance and Exchange Company (the Kokusai Kungsu), incorporated August, 1922 in the State of Delaware, has decided to go into business for the first time since its founding. To carry on gold mining and trust finance, the company has a franchise from the Manchukuo Government.

After Seiichiro Mitsui, former director of the Accounts Bureau of the War Ministry, assumed the presidency of the company, a Tokyo office was opened in preparation for launching a subscription drive for Yen 10,000,000 in 500,000 shares at Yen 20 a share paid up. One-half of these funds will be invested in the trust business, Yen 1,000,000 in gold mining and the remaining Yen 400,000 in buildings, the commodities market and a motor business not affecting railway interests. A plan is on foot for the company to issue lottery tickets carrying premiums in Tientsin and to sell them in Peiping, Chefoo, Tsinan, Shanghai, other towns along the Yangtze River, Canton, the South Sea islands and British India.

Eleven Political Murders Charged to "Dog Killing" Group

Five men and a woman (Mrs. Chen) alleged to be members of the communist assassins' group, known as "Dog-Killing Corps," were charged at the Second Branch of the Kiangsu High Court Nov. 24. The police allege that the prisoners jointly or separately killed Wong Yung-hwa, Bureau of Public Safety detective and his bodyguard, at the Sun Sun Hotel on August 25, Wong was descending in the elevator when the gunman fired several shots and killed him.

The assassination of Ma Shao-wu, another secret agent of the bureau and attached to the central authorities, also was attributed to the prisoners. Ma was killed on Foochow Road on June 14 when going to a singsong girls' house.

In all, the group is charged with having murdered 11 persons, most of them important agents of the bureau and the central Kuomintang. Mrs. Chen is not directly charged with the murder counts, but faces serious charges of being in possession of large quantities of firearms.

Japan to Build Many Airdromes in South Sea Islands

The subject of Japan's mandate over various Pacific Isles has again come to the fore through the presentation to the League of Nations at Geneva of Japan's annual report as a mandatory power. The questions of a future mandate and the alleged fortifications in the Bonin Islands were avoided. When the Japanese delegate, Mr. Ito, was questioned as to why the native population in the Japanese mandated area was decreasing, he replied that this phenomenon was apparently general throughout the Pacific.

A British correspondent, whose name is not given, and who is reported by *Reuter* to have been given special facilities by the Japanese authorities in order to see how far or how little reports of fortification of the Bonins were true, has just returned from a tour of the principal islands and is stated to be fully convinced that the reports are groundless. The ports, he considered, are quite unsuitable for anything but small scale commercial purposes, and the only harbor construction work he saw was of a nature to provide facilities for small cargo boats only.

Both the above recorded events, coincide with the visit of Mr. Hayashi, Governor of the South Seas mandated territory, to Tokyo, where he is conferring with the Department of Overseas Affairs and other Departments concerned in regard to the new estimates of his Government, which amount of something like Yen 6,000,000. The new plans which he has in contemplation for the development of the islands include the inauguration of an air transport service between Japan and the mandated territory and between the islands under his jurisdiction, and the establishment of airdromes, the building of airplanes and the creation or extension of observatories. Work has already been started on the construction of an airdrome on Saipan island, and more are to be gradually provided on other islands. The major part of the expenditure on account of air transport facilities is to be raised by subscriptions, the South Seas Government granting a subsidy. The sum of Yen 100,000 has already been subscribed towards the expense of the Saipan airdrome under construction. The proposed air service will be utilised, besides the ordinary transport business, for fishery purposes.

The number of ships plying between Japan and the islands is to be increased. It is proposed that more fast ships should be put on the service and that the present regular line between Yokohama and Parao be extended to Borneo. Improvement of the harbors, the increased establishment of lighthouses, and the installation of more wireless equipment is also contemplated.

"By Their Ads, Ye Shall Know Them"

(*Japan Chronicle*, Nov. 15.)

By their ads. ye shall know them. *The Observer: A Review of Contemporary Affairs* has reached us from Shanghai, and what seemed to be the case in the first two numbers is unmistakably clear in the fourth—that it is merely a propaganda organ. Of seven advertisements four are of Japanese banks and two of Japanese sugar companies. Moreover, most of the contents are by Japanese and about Japan. Why it should be published in China and have an editor with an English name is not at all clear—unless it be to deceive the buyers. It puts up a feeble pretence of being interested in international affairs. Presumably it has a cash allotment besides its slush fund advertising, and it may safely be predicted that its life will be brief unless much greater ability is shown in getting good material.

French Ship Pirated by Bias Bay Gang--- Passengers and Money Carried Off

The French steamer *Commandant Henri Riviere* was pirated early in the morning of Nov. 26, 30 miles south of Gap Rock while proceeding from Hongkong to Haiphong. Francis Pelloni, the second officer, was surrounded by several desperadoes armed with revolvers. The pirates wrecked the wireless room and seized the armory before proceeding to ransack the ship, after which they compelled the captain to steer for Chilang Point, where they commandeered two junks and decamped with four wealthy Chinese passengers and money and valuables exceeding \$15,000 in value. The ship has a tonnage of 1,355 and belongs to Sing Kee & Company, a French-registered concern in Hongkong.



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Japanese Maintain "Open Door" in Manchuria For Foreigners to Get Out

BY SHEN HSUE-CHUAN (沈學傳)

BEFORE its occupation by the Japanese, Manchuria was a center of international trade. But since September 18, 1931, it has become a cradle of Japanese monopolies. The celebrated "Open Door" doctrine in China enunciated by John Hay in 1894 has acquired a new meaning under Japanese interpretation and the "Door" in Manchuria is being kept "open" more as an exit than as an entrance for foreigners whose former trade in Manchuria has been practically ruined under Japanese military and economic domination. With the enforcement of the new customs tariff of "Manchukuo" announced July 20, 1933, which brought Manchuria within the Japanese tariff union at the expense of other countries, many large American and European firms trading in Manchuria are winding up their business and preparing to leave the country, realizing the inevitability that their business would be squeezed out by the Japanese monopolization policy. But in order to create a false impression on the world that "Open Door" is still maintained in Manchuria, the Japanese are playing a clever game by selecting several "favorite" foreign firms in Manchuria and permitting them to operate, thus making it appear that foreign business prospers under the "Manchukuo Paradise."

Japan's Monopolization of Manchurian Resources

The first step, the Japanese took to monopolize the resources of Manchuria, was the unification of the railway systems under the control of the South Manchurian Railway. By an agreement signed on March 1, 1933 between "Manchukuo" and the S. M. R. Company which entrusted the latter with the management of all the railways in Manchuria, staple products from various parts of Manchuria can now be transported directly to Dairen by the establishment of direct connection between the S. M. R. and other railways. For the purpose of effecting such connections, the S. M. R. has already changed most of the couplings and brakes of the locomotives, passenger coaches and freight cars on the Kirin-Changchun, Kirin-Tunghua, Ssuninghai-Taonan, Taonan-Angangchi and Tsitsihar-Kehsan Railways so as to conform to those of its own Line. As a result of the new arrangement, 5,000 freight cars of the "Manchukuo" state railways will run on the S. M. R. tracks. Furthermore, the S. M. R. Company has also been entrusted with the operation of the North Korean Railways. A double-track is planned at a distance of about 76 kilometers off the main line north of Mukden, the only section left single-tracked. The result is that the S. M. R. has enjoyed a monopoly and made a huge profit of Yen 60,000,000 during the past fiscal year (it lost money in 1931), while the Chinese Eastern Railway has practically gone out of business.

The C. E. R. is now virtually under the control of the Japanese, despite its nominal ownership by Russia. The name of the Line has been changed to North Manchurian Railway. Vladivostok has yielded to Dairen and become a "Sleepy Port." Not a single carload of freight reached it via the C. E. R. since last May. Practically all the freight traffic on the Line has been diverted to Dairen on account of the difficulties over the C. E. R. The "Manchukuo" authorities acting under Japanese orders on May 31 blocked the C. E. R. at Pogranichnaya, where the Railway crosses Manchuria from Manchuli and re-enters Soviet territory, thus closing the short route to Vladivostok. The business of the C. E. R. in 1933 was worse than that of last year. According to an announcement made by the N. M. R. (C. E. R.) General Office, goods carried on that line during the first half of the current year amounted only to 1,469,000 tons, a decrease of 364,000 tons as compared with 1,833,000 tons for the similar period last year. On the other hand, the business of the S. M. R. has increased by leaps and bounds. According to a report by the S. M. R. Company recently, the revenue of the Railway during May 1933 increased by 1,000,000 yen as compared with the same month of last year. In June, its revenue amounted to 24,699,245 Yen, marking an increase of 2,372,857 Yen as compared with the same month of 1932.

On March 1, 1933, the S. M. R. took over all the previously Chinese-owned railways throughout Man-

churia, including the Mukden-Shanhaikwan section of the Peiping-Mukden Railway, a distance of 388 miles in length which contains large British investment. This converts the S. M. R. of 650 miles into one of the longest and most important railway systems in the world with a total mileage of 2,816 miles—a distance almost equivalent to that between San Francisco and New York of the United States. If the present negotiations with Russia turn out to be successful, another 1,200 miles of the C. E. R. will be added to the S. M. R. system, making a total of 4,000 miles. In addition, the Japanese are constructing new lines. The line between Tunghua and the Tumen river was completed August 31, 1933, while two others between Lafa and Harbin and between Taitung and Harbin are under construction. These new lines, when completed, will perform two important functions: first, they will completely hamstring the Russian C. E. R. and second, they will greatly facilitate army transportation in North Manchuria. Furthermore, the Japanese have also taken over control of all the shipping on the Amur and the Sungari Rivers in North Manchuria. A system of motor roads is also being built throughout the whole of Manchuria.

Now in Manchuria, all the business enterprises formerly owned by Chinese or operated by foreigners have been practically monopolized by Japan under the name of "Japan-Manchukuo Joint Company." Under existing conditions, the business fields for Europeans and Americans are rapidly closed to them. When Mr. Matsuoka and other Japanese propagandists announced to the world that "Open Door" was still maintained in Manchuria, they provoked an American consular official to remark that there were so many Japanese standing in the Open Door that no one else could enter. Another American official added that the "Open Door" was being maintained by the Japanese in order to permit business-men of other nationalities to get out of the "Paradise." The Japanese control of the business in Manchuria is so complete that it has established monopoly over railways, buses, aviation, radio, telegraph and telephone communication, light and power plants, waterworks, manufacture of weights and measures, oil, mining of all kinds, brewery, salt, stock-farming, soya beans, hemp, cement, etc.

What After "Open Door" Closed?

What has happened after the "Open Door" in Manchuria has been closed? The following statistics will tell. According to statistics recently issued by the Mukden Municipality, the number of bankrupt Chinese retail business in Mukden alone amounted to 1,730 shops closed, while Japanese shops have been increased from 358 to 900. The shops in the wall city of Mukden are almost all Japanese. As to the Chinese factories in Mukden, they have either been closed down or transferred to Japanese interests, with the exception of five factories which are compelled to continue operation. Concerning agricultural enterprises, the Manchuria-Mongolian Exploitation Company has been doing its best to buy up Chinese lands and large colonies of Japanese farmers are immigrating into Manchuria to settle there. As regards foreign business interests, the Japanese have withdrawn concessions previously granted to them. Control over the C. E. R. is maintained by their hold on the Harbin Office of the Line and appointment of the Railway officers. Mills and factories along the C. E. R. Line are controlled by Japanese advisors. The Soviet purchasing organization, Hleb-Export, has withdrawn its agents from the up-country districts and has stopped all purchases of cereals in Manchuria. Many Russian banks have ceased to exist. Most of the large flour mills have passed directly or indirectly into the hands of the Japanese. The British-American Tobacco Company in Mukden has struck a business slump that may force it to close. Their products have been taken away from the shelves of many Japanese shops and foreign stores under Japanese influence and are substituted by Japanese brands. All companies subsidiary to Chinese banks in Mukden have been ordered to withdraw their patronage from foreign banks and to do business with Japanese banks. The National City Bank of New York in Mukden is on bad terms with the Japanese, as it has refused to turn over funds of the old Manchurian regime to

Japanese advisors who are demanding the surrender of these accounts. The "Manchukuo" has passed laws to the effect that no foreign capital will be allowed in mining enterprise.

Japan has always enjoyed special privileges in Manchuria to the detriment of other foreign competing interests. In addition, she was always able to smuggle goods into Manchuria without paying customs duty. Now, the Japanese goods to Manchuria are officially immuned from customs duty under the newly-promulgated Manchukuo customs tariff. Furthermore, the Japanese steamship companies have given Japanese merchants rebates on freight cargoes to Manchurian ports. In addition, the Japanese Government has granted subsidies to Japanese business men in Manchuria. However, with a view to deceive the world, Japan has recently announced that she will open Chinchow, Shanchengtsun, Ssuping kai, Fengcheng, Pulantien for international trade. But the world will not be deceived, as her hocus-pocus has long been seen through. Under present conditions, Japanese goods are flooding the Manchurian Market and foreign goods are stamped out. According to the report of Tokyo Asahi (July 29, 1933), during the first half year of 1933 the total volume of Japan's cotton fabrics exported to Manchuria amounted to 43,000,000 yards, increasing over ten times as compared with the same period of the year last. According to another report in the Tokyo Asahi, more than 80 per cent of the goods in Manchuria market are Japanese-made.

The trade volumes of Manchuria for the first half of 1933 were (*Peking and Tientsin Times* August 24, 1933):

EXPORTS		
To	Amount (in Yen 1,000)	Percentage
Japan	100,840	41.7%
Germany	35,540	14.7%
China	28,334	11.7%
Korea	17,892	7.4%
Soviet Union	8,957	4.1%
America	2,872	1.2%

IMPORTS		
From	Amount (in Yen 1,000)	Percentage
Japan	133,546	57.9%
China	33,809	14.7%
America	16,611	7.2%
Korea	11,596	5.0%
Germany	5,029	2.2%
Soviet Union	4,644	2.0%

Manchuria's foreign trade for the first half of 1933 resulted in an excess of exports of Yen 11,389,000, since exports totalled Yen 241,876,000 and imports Yen 230,487,000, with an aggregate of Yen 472,363,000. However, almost the Manchuria's foreign trade is exclusively limited to Japan either in export or in import on account of the "Close Door."

Censorship and Visa-System

To prevent leaking out of news of what is happening in Manchuria, Japan has instituted a very rigid and elaborate system of censorship in Manchuria. A joint committee has been formed consisting of two representatives each from the Japanese Embassy, the Kuangtung Governor-General's Office, the "Manchukuo" Government and one each from Kuangtung Army and the Japanese Gendarmerie Headquarters. One or two representatives are admitted to meetings of the Committee as observers. Under such a system, correspondents of all nationalities in Manchuria are greatly handicapped in their work and many of them have either been kept out or threatened with deportation or imprisonment. The notable examples of such cases are Edward Hunter who was arrested by the Japanese authorities in Harbin last year, E. Lenox Simpson, who was deported from Harbin, Unton Close who was barred from entering Manchuria, Mr. Bartels, editor of the *Deutsch-Chinesische Nachrichten*, German daily in Tientsin, was warned May, 1932 to depart from Mukden immediately under threat of arrest and imprisonment. As to the Chinese newspapers and correspondents, they have long ago been banned from entering Manchuria and not a single Chinese correspondent could be seen there, although the *Ta Kung Pao* of Tientsin recently succeeded in sending a correspondent there to conduct a secret investigation of the existing situation. Foreign newspapers published in China have suffered a similar fate. For example, the *China Weekly Review*, an American weekly published in Shanghai, has been banned from circulating in Manchuria by the Japanese Censorship Committee.

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SOCONY-VACUUM
PRODUCT

Japan has further introduced a visa system in Manchuria against the foreigners. Since June 1, 1933, it has been necessary for foreigners to have visas on their passports showing official permission to enter "Manchukuo," to reside there or pass through, according to new regulations announced in Dairen April 23, 1933. There are agencies appointed abroad. Visas are available at Manchouli and Pogradichnaya on the Siberian frontiers; Dairen for travellers by way of the Kuangtung Leased Territory; Antung, Huimotung, Umitobaramya, Seoul and Rashin on the Korean frontier. The fee is \$10.00 in "Manchukuo" currency for an entry or \$2.00 for transit. The announcement declared that "Manchukuo" will not recognize any visas granted by a diplomatic or consular office of the Chinese Republic. emigration of Chinese laborers into Manchuria are strictly restricted and since Sept. 18, 1931, practically no Chinese workers have been able to enter into that territory. According to a report published in the *Manchuria Daily News*, 594 foreigners in June and 587 foreigners in July entered Manchuria with "Manchukuo" passports visas.

However since the Mukden Outbreak, the number of foreign residents and travellers in Manchuria has been greatly reduced and most of the resident foreigners have left the territory on account of their being unable to enjoy the so-called "Wangtaoism." On the other hand, thousands upon thousands of Japanese and Koreans are streaming into Manchuria during the past two years. According to a census taken by "Manchukuo" authorities at the end of 1932, the Chinese population was 28,902,000, Japanese and Koreans, 566,000 and residents of other nationalities, 137,000. The Chinese population made up 97 per cent of the total, while Japanese, only about 2 per cent. In addition to the people in Kuangtung Leased Territory and the railway zone of the S. M. R., the total population of Manchuria is figured at 30,929,000, of whom 29,951,000 are Chinese, 838,000 are Japanese and 139,000, people of foreign nationalities. According to the recent returns of the Kuangtung authorities, the total number of Japanese including Koreans in Kuangtung Leased Territory and in the zone of the S. M. R. has reached 1,353,000 at the end of June, 1933. It recorded an increase of 7,000 as compared with the figure at the end of May and over 69,700 compared with that at the end of June of 1932. i. e., for every one thousand Japanese, there was an increase of 51 Japanese. The Koreans have increased more disproportionately since Mukden Incident.

Peiping, Nov. 15, 1933.

Chinghai and Sinkiang Tribes Follow Mongols in Demanding Autonomy

Following the precedent set by the Mongolians for local autonomy in Inner Mongolia, the various tribal chiefs in Sinkiang (Chinese Turkestan) and Chinghai (Kokonor) are also planning to make a similar demand to the Central Government. It is said that the princes of the various tribes in these two provinces are shortly sending their respective representatives to Nanking to interview the Government leaders on this matter.

In view of this situation, is learned that the Government is considering measures for the pacification of the Moslem tribes in Sinkiang. At present there are eight main Moslem tribes in that province, each under the control of a Moslem prince. In the Manchu days, a special office was established in Peiping to take care of the affairs of them, but since the establishment of the Republic they have been completely ignored. Now the Government is drawing up measures for the restoration of such an organ in Nanking. It will be known as the Joint Office of Sinkiang Tribes. The leaders of the Sinkiang Moslem tribes will be urged to send representatives at least once a year to Nanking so as to keep the Mohammedans in Sinkiang in closer touch with the Central Government.

In connection with the agitation for autonomy in Inner Mongolia, it seems that the settlement made by General Huang Shao-hsiung, (the Government's Pacification Commissioner to Mongolia) with the Mongolian leaders, is not so satisfactory as reported in the papers. Judging from reports from Pailinmiao, the trouble is far from being settled. A Chinese telegram from Peiping, November 22 stated that a tentative programme for the autonomy of Inner Mongolia has been drawn up by General Huang with the full concurrence of the Mongolian princes.

According to the arrangements made, Inner Mongolia will be divided into two autonomous districts; one in Northern Suiyuan and the other in Northern Charhar. In each district, an autonomous government will be estab-

lished with a chairman appointed by the Central Government, to be assisted by two deputy-chairmen in the performance of his duties. Other members are two or four special commissioners selected from among the Mongolian princes. The two autonomous governments are to co-operate with each other closely and under them, a council is to be established to discuss administrative affairs in the autonomous districts.

The duties of the two governments are as follows:—

- 1.—Reclamation and afforestation of waste lands.
- 2.—Cattle-raising in a scientific way.
- 3.—Development of local industry.
- 4.—Road construction in Inner Mongolia.
- 5.—Inauguration of a postal service in Inner Mongolia.
- 6.—Introduction of military and industrial education.

General Huang, in a telegram to the Central Government, November 22, reported of the successful conclusion of his discussions with the Mongolian leaders at Pailinmiao. As the culmination of the conversations, General Huang said in part, it has been decided, with the concurrence of Prince Te-Mu-Chu-Ke-Tung-Lu-Pu, (Vice-President of the Silingol League) and Prince Yun-Tuan-Huang-Chu-Ke (President of the Ulan-Tsab League) and representatives of the other Mongolian dukes and princes, to institute local autonomy in various areas of the Mongolian Banners and Leagues (where district (hsien) administration has not yet been instituted), in accordance with the plans of the Central authorities. Detailed measures in this connection will be decided at a meeting to be held at Kueihua towards the end of the month when the various Mongolian dignitaries will personally attend.

In response to urgent orders from Nanking, General Huang is returning to Nanking immediately. On his way back, he will stop at Taiyuan to see General Yen Hsi-shan and exchange views with him regarding the Mongolian situation. In view of the Fukien situation, it is learned that after his return to Nanking, General Huang will be dispatched to Kuangtung and Kwanhsi to discuss with General Chen Chi-tang and General Li Tsung-jen joint measures to suppress the Fukien insurgents.

On the other hand, Prince Teh, leader of the Mongolian autonomy movement, in an interview at Pailinmiao November 22, announced the determination of the Mongolians to demand autonomy and made no reference to the reported agreement with General Huang Shao-hsiung as mentioned above. He said that all the princes in Inner Mongolia are firmly behind the movement and no matter what was done, they would stand united and carry through their project.

Asked to explain his movement, Prince Teh first discussed the situation before the Chinese revolution. In the early days, he said, the Mongols were a free people in their own country and had not been conquered and brought into subjection. In 1911 when the Chinese revolution broke out and the Manchus were overthrown, the Mongols joined in the new Chinese Republic as one of the five peoples under the five-barred flag. The Republic had their friendship but their land, their dust, their people, their cattle remained their own and never belonged to anyone else. After a few years Sun Wen wrote his famous book on the development of the Chinese Republic and then the capital was moved south to Nanking. In his book Sun Wen wrote much about the rights of all peoples. He said they should be free to enjoy their rights. Mongolia, he said, had been waiting for that but in vain.

"All that has happened so far is that the Mongol's territory has been divided up by the Chinese into two Chinese provinces, Charhar and Suiyuan. Chinese farmers have come in and taken our land, pushing the Mongol up into the sand desert. Still the Mongol has said nothing and has continued inside the Republic, of which she has been a faithful member. During the last 20 years the Chinese have taken more and more Mongol land and the land they have taken has become a home and a nest for Chinese robber bands who loot villages, carry off the cattle and kill the people. In the east another power has taken part of Inner Mongolia and in the North a foreign power has invaded and taken Outer Mongolia," he said.

Now, he went on, only comparatively few Mongols were left in a smaller Inner Mongolia and they had reached a point where there was nothing to do but try to help themselves. Mongols could not sleep on the matter any longer. For robber activities they could not sleep in their homes at night but had to take refuge in the hills. Thus, the conference of Princes and representatives of all Mongol tribes in Inner Mongolia was called at Pailinmiao and this conference telegraphed Nanking

that the Mongols wanted to live as a separate people but still inside the Republic and that they were trying to organize a government in accordance with the teachings of Sun Wen. "Some Chinese officials," he said, "don't even want us to be called Inner Mongolia any more but merely provinces of China. We ask only to be allowed to look after ourselves. We are not joining with the Japanese. This is completely untrue. We are not revolutionary."

Delegates from Nanking had arrived, he went on, but they still wanted division of the Mongols but the Mongols were determined to be one.

Asked what would happen to the Chinese farmers who have encroached on Mongol territory the Prince replied that they were human beings and fellow members of the Republic. The Mongols would treat them as the Mongols would expect to be treated in similar circumstances. "They can farm in peace and we will drive off the robbers."

The Mongol autonomy movement, he declared, was an effort to preserve Mongolia as a country and the Mongol people as a race. A strong autonomous government, he considered, would be helpful to both. Mongolia would form a buffer between China and the countries round her on the north and east. Mongols and Chinese could help each other.

The movement asked for no finance from Nanking, he said, they intended to run the country themselves on their own resources. The industries they had, all agricultural, would be developed and new ones would be begun which, he hoped, would develop to benefit both Mongol and Chinese. They had a domestic programme which included the spread of education among all Mongols.

General Huang has promised the Mongolian princes that the Government will take a reasonable number of Mongolians into Government service to enable the Mongolians to better understand China. The first batch of Mongolians, who are accompany Gen. Huang southward, consists of thirty persons from different Mongolian banners and tribes.

Sinkiang Warfare Turns in Favor of Gen. Ma Chung-ying

The civil war in Sinkiang between General Sheng Shih-tsai, Border Defense Commissioner of that province and General Ma Chung-ying, the Mohammedan leader, has reached another crisis with the sudden turn of the tide of the war in favor of General Ma. According to latest reports from Sinkiang, General Ma has captured Tihua, provincial Capital of Sinkiang, and General Sheng has withdrawn his army to a point several miles away from that city where he is waiting for re-enforcements. At present, General Ma is still in Turfan, his principal base, but is expected to be in Tihua within a few days. General Sheng's force has suffered a heavy defeat at the hands of the Mohammedan troops and his sudden abandonment of Tihua was caused by the refusal of the Manchurian troops under Generals Li Tu and Su Ping-wen to lend him a helping hand. The decisive battle took place on November 22, when General Sheng gave way to the victorious Mohammedans. It is further reported that Gen. Ma has recently established connections with the various Mohammedan tribes in Sinkiang under the leadership of prince Nih-Lo-Erh and they are determined to overthrow General Sheng in Sinkiang. It is also said that General Sheng's defeat is due to his overconfidence in himself and his overbearing attitude towards his associates and officers, thereby alienating their support for his cause.

The Sinkiang Provincial Government has submitted a petition to the Executive Yuan, requesting that a public loan of \$2 millions be floated to meet the military and administrative expenditures of Sinkiang.

In compliance with a petition of Father A-Pu-Tu-Ai-Tzu-Tzu, a Catholic priest in the North-Western Sinkiang border, Wang Ching-wei, President of the Executive Yuan, has issued an order to the Sinkiang Provincial Government instructing that steps be taken to stop the influx of Sovietized Chinese into the Province via Tacheng.

In his petition, Father A-Pu-Tu-Ai-Tzu-Tzu reports that over 23,000 unemployed Chinese, who have been naturalized as Soviet citizens and have married Russian women, have suddenly poured into the province through the north-western borders. Inasmuch as they are unemployed their influx might further complicate serious situation in Sinkiang

In the United States Court for China

NADEJDA VENEMIAN
PRUJAN, Plaintiff.
vs.
GEORGE PRUJAN,
Defendant.

Cause No. 3606
Civil No. 1647
ORDER
Filed at Shanghai, China
Nov. 24th, 1933
William T. Collins,
Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 23rd day of November, 1933, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 23rd day of November, 1933, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 23rd day of November, 1933, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since over one year, and that defendant's last known address was c/o Y.M.C.A., Cleveland, Ohio, United States of America.

NOW, THEREFORE, it is the 24th day of November, 1933, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review" a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 16th day of December, 1933, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,

this 24th day of November, 1933.

MILTON D. PURDY,

Judge.

THE PAN-PACIFIC CULTURAL ASSOCIATION

Has reprinted for general distribution in pamphlet form the treatise by the late B. H. Chamberlain, Emeritus Professor of Japanese and Philology at the Imperial University of Tokyo, entitled,

"THE CREATION OF A NEW RELIGION"

The pamphlet contains in its 10 pages a complete exposition and analysis of Shintoism and Empire-worship, regarding which the world is now beginning to hear so much along with the so-called doctrines of Pan-Asianism and Asiatic Monroe Doctrine.

Price, including postage, 30-cents a copy. Orders sent to *The China Weekly Review* will be forwarded to the publishers for execution immediately.

Thanksgiving Day Proclamation

I, Franklin D. Roosevelt, President of the United States of America, do set aside and appoint Thursday, the 30th day of November, 1933, to be a day of Thanksgiving for all our people.

May we on that day in our churches and in our homes give humble thanks for the blessings bestowed upon us during the year past by Almighty God.

May we recall the courage of those who settled a wilderness, the vision of those who founded the nation, the steadfastness of those who in every succeeding generation have fought to keep pure the ideal of equality of opportunity and held clear the goal of mutual help in time of prosperity as in time of adversity.

May we ask guidance in more surely learning the ancient truth that greed and selfishness and striving for undue riches can never bring lasting happiness or good to the individual or his neighbors.

May we be grateful for the passing of dark days; for the new spirit of dependence one on another; for the closer unity of all parts of our wide land; for the greater friendship between employers and those who toil; for a clearer knowledge by all nations that we seek no conquests and ask only honorable engagements by all peoples to respect the lands and rights of their neighbors; for the brighter day to which we can win through by seeking the help of God in a more unselfish striving for the common bettering of mankind.

In witness whereof I have hereunto set my hand and caused the Seal of the United States to be affixed.

Done at the city of Washington this 21st day of November in the year of our Lord 1933 and of the Independence of the United States of America the one hundred and fifty-eighth.

FRANKLIN D. ROOSEVELT.

Thanksgiving Day Celebrated in Shanghai

Thanksgiving Day (Nov. 30) was celebrated in the customary manner in Shanghai this year with a service at Holy Trinity Cathedral, at which U. S. Consul General E. S. Cunningham presided. Judge Milton D. Purdy read the President's Thanksgiving Day proclamation. A sermon was preached by Bishop Herbert Welch. The invocation was pronounced by Chaplain Joseph H. Brooks of the U. S. Fourth Marines.

JAPAN FEIGNS COMPOSURE IN FACE OF U.S. SOVIET RAPPROCHEMENT

(Continued from page 13)

Mr. Litvinov. Upon the resumption of normal relations diplomatic intercourse will resume through embassies and other channels as a matter of course. Such an improvement in international politics can never leave Japan alone unaffected. In the direction of the trade relations a similar thing can be said; as at the time of Britain's resuming normal relations with Russia, resumption of relations greatly improves the trade figures. Another notable factor is a curious fact that the world's richest country come to offer assistance to the country of communism.

Mr. Tsutsui.—Among all factors which are expected to follow the recognition I may point out the following: It is true that the relations between Japan and the United States have become strained since the outbreak of the Manchurian incident. If, in such an atmosphere, Soviet could gather strength through America's extending recognition to her Government and assume a stronger attitude against Japan, the enmity hitherto centered upon the United States will be shifted partly to the Soviet side. Though I never mean to say that this constituted an American motive, such is not at least improbable. When this is taken into consideration together with the American decision to shift back the Atlantic fleet from the Pacific, the American recognition of Soviet Russia could not be a mere gesture. By the way the meaning of the American dreadnaughts' cruising back to the Atlantic coast is militarily insignificant but politically greatly significant; while the two nations across the Pacific will feel relieved of their gloomy antagonistic sentiment against each other China and Soviet Russia will be disappointed.

Tibetan Troops Renew Attack on Sikong

After a lull of several months, the Sikong situation is experiencing another flare-up. Taking advantage of the civil war in Szechuen, the Dalai Lama, militant religious Ruler of Tibet, has ordered another attack on Sikong. The Dalai Lama has addressed an ultimatum to General Liu Wen-hui, defeated Szechuen warlord now with headquarters in Sikong, demanding the return of the territory east of the Kinsha River to Tibet. He declared that should his demand be ignored, he would resort to force to capture it. It is learned that the Tibetan troops have already taken offensive actions and part of their vanguards, succeeded in crossing the Kinsha River.

The Nanking office of the Dalai Lama issued Nov. 27 a denial of the reported Tibetan invasion of Sikong.

In connection with the Tibetan situation, a *Nippon Dempo* correspondence from Peiping in the *Japan Advertiser* gave a detailed account of the strained relations between China and Tibet. In part, it says.

Hope for improved relations between China and Tibet has waned as a result of the action of forces of the Da Lai Lama in occupying Ba-an, an important city on the eastern bank of the Kinsha River in Sikong.

Szechuen troops defending recognized Chinese territory against the raids of the Tibetans declare that by crossing the Kinsha River the forces of the Da Lai Lama have violated the recent truce. The truce established the stream as the boundary between Tibet and China Proper.

Two-thirds of Sikong Province now is in the hands of the troops from Lhasa, according to Losangnagnchia Tibetan member of Nanking's Commission for Mongolian and Tibetan Affairs, who stated that—Tibet is an independent State with the rule of the Da Lai Lama supported by Great Britain.

The fighting in the vicinity of Ba-an represents the first major hostilities between China and Tibet since a year ago the truce established Kinsha River as the boundary. Mr. Losangnagnchia is authority for the statement that, because of the trouble caused by fighting between Chinese and Tibetan troops, the Chinese authorities have not been able to organize a Provincial Government in Sikong. He said that as a province Sikong exists only "nominally."

Tibet has defied China since 1910, when, one year before the revolution unseated the Dynasty from the Dragon Throne, the Tibetan authorities refused to permit the entry of the Imperial Viceroy appointed by the "Boy Emperor" Hsuan Tung, now Henry Pu-yi, regent of Manchukuo. Since the overthrow of the Ching Dynasty there has been frequent fighting between the troops of China and Tibet, because of the determination of the Lhasa authorities to prevent the Chinese from ever again exercising power in the mysterious land.

China Life Insurance Institute Established in Shanghai

The Asia Life (American registered), the International Insurance (British registered) and the China United, Tai Shan, Ningshao, Sincere, and China Insurance companies jointly launched the China Life Insurance Institute in Shanghai last week. The newly organized institute has as its program the educating of the Chinese people as regards the benefits of life insurance as a social institution. It is under the directorship of Samuel H. Chang well-known Chinese journalist who was director of intelligence and publicity under Eugene Chen when the latter was foreign minister in Nanking two years ago. Mr. Chang says there is no doubt about the future of the business in China. He points to the number of new life companies which have recently been organized and the great interest that prominent Chinese bankers, such as Soong Han-chang, Li Ming, and Hsu Sing-loh, have taken in the organization and advancement of the business.

School Principal Sentenced in Peiping for Complicity in Assassination

After a protracted trial lasting several months the Peiping First Branch Court of the Hopei Higher Court has found Yang Chung-jen guilty of complicity in the assassination of Hoh Wei-chow and sentenced him to 12 years imprisonment with hard labor. In the course of the trial the accused admitted that he belonged to the Chinese Young Men's Party, a political organization opposed to the Kuomintang but he denied that he was responsible for Mr. Hoh's death. The prosecutor, however, adduced evidence to show that although Yang did not fire the fatal shot which caused the death of Mr. Hoh, he was the man who organized the assassination plot.

Who's Who in China

Kan Nai-kuang, vice-Minister of Interior; born at Cheng-chi, Kwangsi, 1896; graduate of School of Economics, Lingnan University (Canton Christian College), Canton, 1922; instructor at Lingnan University, 1922-23; instructor of political science at the Whampoa Military Academy and concurrently compiler and secretary of the Central Party Headquarters, Canton, 1924; elected member of the Central Executive Committee at the second plenary session, 1925; and later served successively as director of merchants' department, youth department, and farmers' department of the Central Party Headquarters, member of the Central Political Council, member of Executive Committee of Kwangtung Provincial Party Headquarters and concurrently director of publicity department; appointed member of the Control Yuan of the Nationalist Government, 1926; between 1926 and



甘乃光
Kan Nai-kuang

1927, he served successively as member of Kwangtung Provincial Government, inspector of administrative affairs for Southern Kwangtung, assistant proctor of the National Chun-shan University at Canton, director of the *Canton Kuo Min News* and *Canton Republican Daily News*; upon the establishment of the National Government at Nanking in 1927, he was appointed director of the farmers' department of the Central Party Headquarters and Commissioner of Agriculture and Labor of Kiangsu Provincial Government, but declined both appointments owing to preparations to go abroad to study; chairman of the Canton Municipal Government, Dec. 1927; attended the University of Chicago as a research fellow, 1928 and toured Europe to study political conditions, 1929; devoted himself to authorship at Shanghai after return to China, 1929; reelected member of the Central Executive Committee at the 4th Plenary Session, 1931; appointed vice-Minister of Interior of the National Government, June, 1932 which post he now retains; author of "History of Economic Thought before the Tsin Dynasty," "Index to Dr. Sun Yat-sen's Works," "Some Fundamental Problems of the Kuomintang;" address: Ministry of Interior Nanking or No. 31, Lafayette Terrace, Rue Lafayette, Shanghai.

甘乃光，現年三十七歲，廣西省岑溪縣人，民國十一年嶺南大學經濟系畢業，即在該校當教師二年，民十三年任黃埔軍官學校政治教官，及中央黨部編纂及秘書等職務，十四年當選第二屆中央執行委員，歷任中央黨部商民部長，青年部長，農民部長，中央政治會議委員，廣東省黨部執行委員，兼宣傳部長，民國十五年任國民政府監察院監察委員，十五至十六年任廣東省政府委員，兼南路行政委員，及國立中山大學訓育部副主任，廣州國民新報並廣州民國日報社社長，民國十六年，當南京國民政府成立時，中央曾委為中央農民部長，及江蘇省農工廳廳長，以準備出國留學，均辭不就，後于年底任廣州市政府委員長，十七年留美，充芝加哥大學研究生，後到英法德等國考察政治一年，回國後，在滬讀書譯述，及二十年底，任第四屆中央執行委員，二十一年六月充任國民政府內政部政務次長，編著有先秦經濟思想史，中國國民黨幾個根本問題，中山全集(分類索引)等書，通訊處南京內政部，或上海霞飛路霞飛坊三十一號

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For information as to rates, schedules, accommodations, etc. apply to any Tourist Bureau, or communicate directly with the Superintendent of Transportation.

IMPORTANT NOTICE

Owing to the Japanese occupation of Manchuria, tickets are only sold to Shanhaikwan where the Peping-Liaoning Railway crosses the Great Wall. The Chinese Government Railways assume no responsibility for transportation or safety of passengers beyond Shanhaikwan.

Peping-Liaoning Railway

Head Office

TIENTSIN

An Advertisement of the Chinese Government
Railways

No. 2

Men and Events

The Prince of Wales received Quo Tai-chi, Chinese Minister to Great Britain in London Nov. 24.

Major B. A. Brackenbury of the United States army who has been stationed for the last few years at Honolulu, visited Taian, Shantung, last week.

Reuters states that Marshal Chang Hsueh-liang, who is now in England, is not going to visit Russia, as he planned some time ago. Marshal Chang is expected to return to China shortly via Italy.

Hichitaro Yada, Japanese Minister to Switzerland and formerly staff member of the Japanese delegation to the last session of the League of Nations, returned to Tokyo Nov. 22 on home leave.

Sir William Hornell, Vice-Chancellor of the University of Hongkong, visited Chiao-tung University and attended a dinner in his honor on the Nanyang campus before sailing back to Hongkong on the s.s. *President Monroe*.

Reports received in Nanking indicate that over 30 overseas Chinese public bodies in the Dutch East Indies have submitted an appeal to the Dutch Colonial authorities protesting against the new Immigration Act recently adopted by the Legislature.

Marquis Marconi is due to arrive at Tangku Nov. 30 on a short visit to China. The Chinese authorities at Peiping are welcoming the world-famous inventor of wireless telegraphy in a befitting manner. He is expected to come to Shanghai next week for a brief stay.

Katsuji Debuchi, Japanese Ambassador to the United States, was scheduled to sail from San Francisco for Yokohama on November 30. It is reported that a new Japanese Ambassador will shortly be appointed to succeed him.

George Perez, an American Indian, and Miss Paulina Stanesko, a Greek woman born in Corfu, were married by Judge Milton D. Purdy at the U.S. Court for China in Shanghai November 24. The groom's mother, a full-blooded Cherokee Indian, was present at the ceremony.

Mr. Chiu, secretary of the Shanghai Women's Commercial and Savings Bank, was married to Miss Teng Hsi-ying, daughter of Teng Yui-sun, formerly magistrate of the Nanhai district in Kwangtung, at the Y. P. S. Hotel, Nov. 25.

There are 2,800 registered mui-tsai (girl slaves) in Malaya, and 700 in Singapore, according to figures published in Singapore. Over ten cases of owners of mui-tsai failing to register them have been taken to court, the offenders being heavily fined.

A set of regulations governing awards for contributions towards replenishing the equipment of the National Military, Naval and Air Forces was promulgated by the National Government November 24. According to these regulations, the awards are to be divided into three classes, and will be in the form of Mandates of Commendation.

The new gymnasium of the Central Military Officers' Academy, (the "West Point" of China) was formally opened at Nanking Nov. 25. The cadets gave exhibitions in the new swimming pool and in gymnastic exercises while Dr. Chu Min-yi, secretary-general of the Executive Yuan, gave demonstration performances of Chinese boxing.

Two alleged "liaison agents," Wu Zai-cheng, and his wife, accused of working between local communist party offices and the radical elements at the Shanghai Power Company and inciting the two-month strike recently, were arraigned before Judge Chao Nov. 28, in the Second Branch of Kiangsu High Court. The hearing was adjourned until Dec. 2.

Miss Margery Fry, former principal of Somerville College, Oxford, addressed the students of the University of Shanghai on "The Meaning of Patriotism," Nov. 24. She said that devotion to one's country means devotion to individual human beings; this kind of patriotism is harder to keep to, but it is the only kind that really helps.

Captain Takasu, the newly-appointed Commander of the *Izumo*, flagship of the Third Fleet of the Japanese Navy in Chinese waters, arrived in Shanghai Nov. 23. Vice-Admiral Teijiro Sugisaka, Commander of the Japanese Naval Landing Party, who has been transferred to the Post of Commander-in-chief of the 11th unit of the Imperial Japanese Navy, departed from Shanghai for Japan November 25.

Mrs. Lawrence M. Judd, wife of the Governor of the Hawaiian Islands, accompanied by her daughters, Misses Betty and Sophie, and Lawrence Judd, are expected to arrive in Shanghai December 6.

His Excellency Signor Raffaele Boscarelli, the new Italian Minister to China, presented his credentials to President Lin Sen at a ceremony attended by the Ministers State at Nanking Nov. 23.

It is learned that the Government has decided to appoint Marshal Feng Yu-hsiang Director of the National River Conservancy Bureau. The monthly expenditure for the new office is \$30,000 and the head office of the Bureau to be established at Tsinan or Kaifeng.

A memorial service in commemoration of the 300th anniversary of the death of Dr. Hsu Wen-ting (Dr. Paul Siu or Zi), Prime Minister in the Ming Dynasty, who was an authority on astronomy as well as a staunch supporter of the Roman Catholic faith in China, was held at the new Observatory at Purple Mountain in Nanking Nov. 24.

Mr. and Mrs. Severin Harkson and Dr. and Mrs. William Downs were hosts at a reception and cocktail party on Nov. 23 at 143 Columbia Circle, in honor of Mrs. Anker Henningsen, Mr. and Mrs. Arthur Henningsen and Miss Henningsen. A large number of guests attended.

Miss Doris Duke, the daughter of James B. Duke, (who left her U. S. \$53,000,000,) became the world's richest girl Nov. 22 upon attaining the age of 21. The late Mr. Duke, who organized the British-American Tobacco Company, made most of his millions by introducing cigarettes to China.

D. C. Bess, correspondent for the *Christian Science Monitor* of Boston, who has been stationed in the Far East with headquarters in Shanghai, has been transferred to Moscow and will depart for his new post shortly. Mr. and Mrs. Bess recently returned to Shanghai from Japan where they wrote a series of articles on the situation in that country for the *Monitor*.

Accompanied by Admiral Upham, commander-in-chief of the United States Asiatic Fleet, Nelson T. Johnson, United States Minister to China, arrived in Canton, Nov. 24 aboard the U.S.S. *Isabel*, on his first visit to South China since he became Minister to China. In an interview Mr. Johnson said astonishing progress had been made in Canton in the past ten years.

Some 60 newspapermen, including representatives of the local foreign press and correspondents stationed in Shanghai, were guests at a reception and dinner on Sunday evening, Nov. 26 at the Heng Far Lau Cantonese restaurant on Foochow road. The hosts were Dr. Tsi-sun Li, director of the Intelligence and Publicity Department and Yui Ming, counsellor and director of the Shanghai office of the Nanking Ministry of Foreign Affairs.

O. G. Steen, general manager of the Dollar Company, who returned home early in October and who was operated on at St. Francis Hospital, San Francisco on Oct. 23, is recovering his health and after a vacation in southern California will return to China early in the new year. Mrs. Steen and their children are also in San Francisco. P. H. Boardwell, assistant general manager, has charge of the company's business in Mr. Steen's absence.

H. J. Timperley, correspondent in Peiping for the *Manchester Guardian* and other papers, returned to China last week and after a few days in Shanghai proceeded to Peiping where he will make his headquarters. Since leaving China Mr. Timperley has made a trip around the world and while in England contributed a series of articles to the *Guardian* dealing with the situation in Manchuria.

Hu Wei-te, veteran Chinese diplomat, died at Peiping Nov. 24 after an attack of influenza. The deceased was 72 years of age and a native of Wuchow, Chekiang. He was at various times Special Envoy to Russia and Japan and Officiating Minister of Foreign Affairs of the Manchu regime and also Officiating Minister of Finance. Superintendent of Customs, Minister to France, Spain and Portugal, Minister of Foreign Affairs and concurrently Officiating Prime Minister during the Peiping regime, after the Republic was proclaimed.

Julean Arnold, American commercial attache, has issued a brochure entitled "Californians in China" (of which Mr. Arnold is himself one.) It shows that there are 254 Californian men in China, and 60 women. The number of Chinese, including those born abroad, is: Men, 176; women, 18. Mr. Arnold in a circular letter says Californians in China can assist in the educational work of present day China by encouraging the students to put special emphasis upon learning to know better their own communities and their country as a whole.

An heir is expected to the Japanese throne within several weeks. All children of the Imperial family so far have been daughters.

The Central Political Council Nov. 23, specially appointed General Chiang Kai-shek as a member of the National Economic Council.

S. C. Poon, 21-year-old Chinese from Honan, arrived in London Nov. 27, having walked the whole way via Tibet, India and Persia. His journey took him three years.

Conflicting reports from London during the week stated that the British Government would (or would not) shortly move its Legation from Peiping to Nanking.

Colonel Yang Hsiao-tsan, the newly-appointed military attaché to the Chinese Legation at Tokyo, arrived in Peiping Nov. 19 from Kiangsi and later proceeded to Tokyo to take up his duties.

Gerald Yorke, who served as *Reuter's* special correspondent during the Jehol campaign early this year and later went to Nanchang to cover the anti-Communist drive, proceeded to Foochow by plane Nov. 27 to report the Fukien troubles.

Hachiro Arita, formerly Vice-Minister for Foreign Affairs, who has been appointed Japanese Ambassador to Belgium, will make an inspection tour of China and Manchuria for three weeks, prior to his departure to Brussels to assume his duties.

The first batch of 7,000 tons of American wheat is expected to arrive in Shanghai on December 12 on board an American freighter. The wheat will be stored in the godowns of the China Merchants Steam Navigation Company.

W. C. Bullitt, Ambassador to Soviet Russia, proceeded from N. Y. enroute to Moscow Nov. 29. President Roosevelt instructed him to investigate conditions, particularly arrangements for locating an embassy, and then return to Washington to report as early as possible.

Slight damage was done to furniture when a bomb, thrown by an unknown person, exploded on the third floor of the Chung Yuen department store in the Japanese Concession, Tientsin, on the night of Nov. 17. Rumors that the firm had been selling Japanese goods was the apparent motive.

The Singapore Chinese Chamber of Commerce will shortly open a commercial museum. Shares are to be issued at \$100 each. As soon as the sum of \$30,000 is subscribed, the company will commence operation. The proposed company will be styled the Singapore National Products Company Ltd.

Mrs. James M. McHugh, wife of Lieutenant McHugh Intelligence Officer connected with the U. S. Marine Corps stationed at Shanghai, returned this week from a vacation spent in Peiping. Mrs. McHugh is a daughter of Dr. Jacob Gould Schurman, former American Minister to China and Ambassador to Germany.

Colonel Yuan Liang, Mayor of Peiping, has declared that he will not tolerate dancing in Peiping, and that should any girls be found serving as dancing partners in cabarets they will be deported from Peiping immediately. Some dancing girls who were arrested recently were released on payment of fines ranging from ten to fifteen dollars.

The U. S. Navy has announced that hereafter only vegetables, meat and local products will be bought from dealers in China to supply the Asiatic Fleet. Hereafter, all American supplies will be bought in the United States and shipped direct to the commissary, instead of being bought locally. The old system, it is generally understood, involved a considerable amount of "graft."

Dr. Lo Wen-kan Back at Ministry of Justice

Following his return from Kiangsi Nov. 22, Dr. Lo Wen-kan has resumed his duties as Minister of Justice, but he has submitted another petition to the Government, insisting on resigning from his concurrent post as Minister of Foreign Affairs. Dr. Lo in a statement Nov. 27 denied the Japanese report, quoting him as saying that General Chiang Kai-shek's campaign against the Communists was a failure. He declared that he had made no statement to that effect.

Dr. W. W. Yen, Chinese Ambassador to Soviet Russia, is returning to China early next month on a half year's leave of absence. According to report, Dr. Yen may be appointed Minister of Foreign Affairs, as Wang Ching-wei, the acting Minister, has repeatedly announced his intention of being relieved of his concurrent duties.

In the United States Court for China

In re.

Estate
ofORMOND B.
GAINSBOROUGH

Deceased

Cause No. 3596

Special Proceedings No. 981

NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Ormond B. Gainsborough, deceased, to present the same with vouchers to the undersigned on or before June 9th, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China.

November 9th, 1933.

M. R. Nicholson,

Administrator.

248 Kiangse Road,

Shanghai, China.

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New Books of Interest in the Far East

The Next War to End War

What Would Be the Character of a New War?, by Sir Norman Angell, Major-General J. E. C. Fuller and Major Victor Lefebure (Great Britain), Major K. A. Bratt, Lieutenant G. B. R. Sergel and Professor Eli Heckscher (Sweden), Francis Delaisi, Professor Andre Mayer, Professor Oualid and General Requin (France), Professor Paul Haensel (U.S.A.), Professor Hersch and Dr. Gertrud Woker (Switzerland), G. Hosono (Japan), Professor Joergensen (Denmark), General Montgeias, General von Haeften, and General von Metzsch (Germany), and Nicolas Politis (Greece); enquiry organized by the Inter-Parliamentary Union, Geneva; published by Harrison Smith and Robert Haas, New York City.

Extended reference to sections of this book have already been made in the editorial columns of the *China Weekly Review* under the heading of "Devastating Character of the Next Great War" (October 21, 1933), and so that phase of the volume will not be dealt with here. There are, however, many other equally important aspects of warfare that are discussed by the eminent experts who compiled this survey of what the human race may expect in the not distant future, although they refrain from any predictions on when or between whom the next great war will be fought.

Discussing "The Mechanization of Warfare," Major-General Fuller points out that the most skilful soldiers of the future are not to be found "on the drill square or in the barrack, but in the machine shop and garage... men who can drive and repair, men born of the machine and possessed by the machine sense." The question might be asked whether they could be as easily induced as professional soldiers, who are disciplined into almost robots, to face a rain of death from skies and land and undersea when it should be obvious to even a dimwit that there is not a problem of humanity that need be settled on blood-soaked battlefields. This question is answered by Professor Joergensen in outlining the effect of a future war on the mentality and morale of the nations involved. In the first place, no government will go to war unless it is reasonably sure of its power over its subjects; secondly, "there is little doubt that the governments will actually succeed in reducing the population to the state of war hysteria necessary for the conduct of a war after they have once decided to go to war."

"For," continues Professor Joergensen, "another means is to be added to those already used so extensively during the World War for propaganda purposes. Wireless is a most important means of spreading news; it is entirely under official control, and by use of it, quicker than in any other way, many people can be put under the influence of the same suggestion. Even if the great dangers to which the population would be exposed in a modern war are today well known to the general public, this fact tends to promote war rather than to prevent it, once the masses have been roused, because the fear of themselves falling victims to an attack will naturally drive them to make every effort to forestall the enemy."

In view of the course of Japanese imperialism since 1931, Mr. Hosono is illuminating in his discussion of the value of colonies in supplying man-power for a war.

Professor Heckscher, on the basis of extensive evidence, offers the conclusion that the outbreak of another war "will not be prevented by the forces of economic life automatically proving an obstacle to it," nor is there much possibility of a general strike halting the sublime course of slaughter for "nowadays no war is commenced in the face of an active and determined opposition on the part of the masses." And it might be also cited, that considering the powerful instruments of propaganda available to all major governments today, not much opposition could be expected to arise in advance of hostilities that any regime wished to "sell" to its cannon-fodder.

One of the most revealing sections of the book is M. Delaisi's chapter on the ramifications of war industry. Four industries—the iron and steel industry, the chemical industry, the electrical industry and oil refineries—"are at the root of all armaments." All of these industries are likewise the backbone of advanced nations in time of peace; for example, "cellulose can produce both artificial

silk and smokeless papers or powders....pursuing and bombing planes are built in the same workshops as commercial planes....benzene can at the same time give colors for dyeing and painting and tear gas, not to mention the terrible mustard gas," etc.

There are, however, certain rare raw materials which are essential in warfare that are very unevenly distributed in the world; "thus, the nickel necessary for 'special steels' is only found in New Caledonia and in Canada....manganese in the Caucasus, etc." Wherefore, M. Delaisi records with delightful French realism, nations actually at war might find it expedient to exchange some of these rare materials in order to carry on the struggle efficiently; Germany and France, he cites, actually did exchange aluminium and magnetos through Switzerland during the last great war. Naturally, M. Delaisi says, such traffic seems "high treason" to the soldier boys in the trenches who have stronger backs than minds, "but the headquarters and the governments regard it differently."

"To them," explains M. Delaisi, "war is born of a conflict of interests. Its objectives (annexations, colonies, zones of influence) are clearly defined in advance in treaties of alliance, usually secret but precise. These conflicts not having been settled by diplomatic means, recourse has been had to force. The purposes of the war is to obtain that decision which it has been impossible to arrive at by compromise. If, owing to technical deficiencies, the two adversaries find themselves obliged simultaneously to lay down arms before there is either victor or vanquished, there would be no decision. From this point of view, a war without victory would be a useless war which would have to be resumed later. It is therefore in the common interest that the enemy headquarters should give one another the means to fight 'to a finish,' that is to say, till one of the adversaries admits defeat."

One can but wonder whether this delightful cooperation between enemy headquarters includes agreement not to attack each other,—whether under its secret conventions, war is like a game of chess in which pawns, knights, bishops, castles and even queens may be sacrificed, but the kings are inviolate.

Professor Haensel, who is a Russian and was in Russia until 1928 when disagreement with the Bolshevik authorities lead to his departure, gives some shocking data on the cost of warfare in the modern manner. It is calculated the world now spends yearly about U.S. \$4,500,000,000 for military preparations, not including payments for past wars or war pensions. The leading nations—U.S., Great Britain, France, Russia, Italy, Japan and Spain—spend over U.S.\$3,000,000,000 a year on armaments.

The next war, it would seem from this survey and from previous discussion of its devastating character, may really be a war to end war—by destroying most of the human race.

W.B.

Inhumane Conditions in the United States

Forced Labor in the United States. By Walter Wilson, with Introduction by Theodore Dreiser. International Publishers, New York. \$1.50 (U.S.)

In his introduction, Theodore Dreiser says, "Mr. Wilson, throughout his carefully documented and verified study, lays very great stress on punishment, inhumane conditions and torture in the United States and its colonies, and there is no escaping the force of his argument any more than the volume of his data. It is overwhelming." At first glance it would appear to be so. After careful reading, however, this reviewer is compelled to question some of the data and therefore some of the conclusions.

Are the illustrations typical or isolated exceptions? The case of one Oscar Josey of Georgia who stole a ham and got 20 years at hard labor on the chain gang is cited. Is this typical of Georgia's treatment of petty thieving on the part of negroes? One Caspar Wright in North Carolina received a long "gang" sentence for stealing a pound of butter. Was this his only offence, and is it what generally happens in North Carolina to a negro who steals a pound of butter? In Maryland, one John Creek stole a chicken and got five years for it. Another negro in the South was sentenced to death for stealing a pair of shoes. This sentence was commuted to life imprisonment. Was stealing a pair of shoes this man's only crime? Or was he caught on a small job after committing more serious crimes and eluding the arm of the law? This reviewer is not in

a position to say. Even one such isolated instance is one too many. But if this is the usual treatment of petty offenders in several states, even one state, it is a serious indictment of a civilized country.

Instances are cited of whipping prisoners for six days in succession; of chaining them to the floor of a room infested with mosquitoes, of pouring water through the nose of prisoners, beating them with rubber hose; striking men's sex organs; tying prisoners to a post from ankles to hips, then making them stand with body bent forward and the arms stretched taut to another post as though their arms would be torn from their sockets. Men in sweat boxes with fire under the metal plate that formed the floor of the box; 20-pound weights tied to men's feet night and day; suspension in stocks; suspension by wire so that blood would flow from the wrists; sores infected and given no medical treatment; even beating to death, chasing with blood-hounds and shooting for attempts to escape,—all these are cited with date, name and place. If one-half the evidence given is as stated, the need for prison reform in the United States cries to high heaven.

But the weight of evidence and the force of the argument are weakened by exaggeration—the reporters pitfall—and when one finds an author quoting unreliable sources as he does in damaging statements about Ex-president Hoover, one is inclined to wonder about the authenticity of the rest of his materials. His insinuations about Hoover and the Kaiping mines in China are the same old "gags" that have been thoroughly exposed by Collier's Weekly and by Herbert Corey's carefully documented book, "The Truth About Hoover." The author's allegations are taken from the books by Liggett and Hamill attacking Hoover, both of which have long ere this been thoroughly discredited.

So with statements like the following: "In the first chapter of this book we analyzed labor under capitalism and found *all wage labor* to be forced labor, either indirect forced labor, caused by the whip of starvation, or direct forced labor where open physical or legal restraint is used." Exaggerations like this weaken the author's whole thesis. If under "forced labor in the United States," the author is going to include all wage labor under capitalism—all the highly paid mechanics and bricklayers and even workers on public highways who ride to work in their own Ford cars and own a house and lot—as among those forced by "the whip of starvation," his cry of "Wolf! Wolf!" will not be taken seriously.

This reviewer cares not how hard an author may strike at the abuses of the capitalistic system, or how enthusiastic he may wax over the advantages for the proletariat under the socialism of Soviet Russia. But to say that the workers in Soviet Russia "enjoy the best of everything available" while "hundreds of thousands starve or go undernourished" in the United States hardly bears the stamp of accuracy. So with the statement that we find "forced labor of the most direct type in connection with unemployment 'relief' and various public and private 'charitable' institutions" (p.176). The same page asserts that Soviet Russia is "the only free labor country in the world." Such statements not only fail to convince, but weaken the case for the conditions that do call for radical reform. G. T. F.

Recent Pamphlets Received

The Nantao (Shanghai suburb) Christian Institute has issued a brochure describing its activities. The Institute was founded 18 years ago and has an honorable record of public service to its credit.

Dr. Chesney Hill, assistant in political science in the University of Illinois, is the author of a treatise on Recent Policies of Non-Recognition, appearing in the October issue of *International Conciliation*. Most of the discussion relates to America's non-recognition of Manchukuo.

The *Journal* of the North China Branch of the Royal Asiatic Society for the year 1933 (Kelly & Walsh, publishers) contains contributions by Dr. John C. Ferguson, Mansfield Freeman, Emil S. Fischer, Herbert Chatley, P. Y. Saeki, John B. Penniston, Esson M. Gale, Carl Whiting Bishop and Jean Rispaud, in addition to much other valuable matter.

The annual report of the China Famine Relief Commission (Dr. C. T. Wang, honorary president) comprises a volume of 94 pages, together with an annotated map. The C. I. F. R. C. is doing good work not only by giving prompt succor to those in immediate need, but is also sponsoring many works of a permanent character with a view to providing permanent relief.

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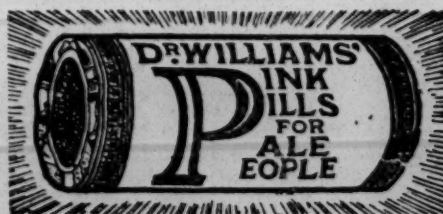
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Poor Prospects for Disarmament Agreement at Geneva

The disarmament proceedings at Geneva show no signs of achieving the ostensible object aimed at—namely disarmament. Instead there are almost daily reports of further armaments by all the leading nations. Germany's recent decision to withdraw from the League is but one of many incidents that seem to make any agreement on disarmament impossible. Germany was voted into the League Sept. 10, 1926, but was never quite happy. General Groener, for example, on Dec. 29, 1930, complained that Germany was standing alone unarmed in a Europe armed to the teeth. This sentiment crystallized eventually into an announcement by the German delegates at Geneva October 10, 1933, that they want other nations to cut their armaments down to Germany's level or permit Germany to build hers up to theirs. Great Britain, France and the United States immediately formed a united front opposing Germany's rearmament, with the result that on Oct. 14 last Germany announced that she intended to withdraw from the League of Nations.

Following a detailed statement of British policy on disarmament in the House of Commons, Nov. 24 during which he stressed the need for an improvement in Franco-German relations before the work of the Disarmament Conference could proceed with any chances of success, Sir John Simon stated that the establishment of friendly relations between the two countries is a vital matter. His speech created a favorable impression in Germany, mainly because he said that Germany was not a target for dictation but must be a partner in discussion. He urged an exchange of views through diplomatic channels. Anthony Eden stated that there is reason for grave anxiety as regards the League of Nations, whereas M. Litvinoff, in New York, said that the Conference is already a corpse. Important conversations took place in Rome during the week between M. Avenol and Signor Mussolini. Herr Hitler received the French ambassador in Berlin.

U. S. Navy League Makes an Appeal to England

In an recent appeal, contained in an open letter from the Navy League of the United States to the Navy League of the British Empire, the former again took the lead in attempting a better understanding between the two great English-speaking nations. The letter was sent out over the signature of the League's president, N. M. Hubbard. The U. S. A. scrapped 825,280 tons of naval construction under the Washington and London naval treaties, and renounced her right to build and maintain adequate bases in the Far Pacific, this renunciation being to "convince the Japanese people of America's dependable friendship." Despite all these efforts to bring about a closer understanding between the nations of the world, "unfortunately," the letter pointed out, "the trend of public sentiment in the United States towards such an understanding has been checked, we believe, by the implications of British demands and suggestions in respect to our naval requirements, in order to attain that parity of sea strength to which this nation is unquestionably entitled."

Emphatically repudiating the charge made in London recently by Winston Churchill that the United States "made the most beautiful speeches of all and made the largest increases in their naval and air forces," official circles in Washington have cited figures of British, Japanese and American naval strength to show that, on the basis of ships built, being built or provided for, Great Britain is closer to the London treaty limits than the United States, while Japan has already attained her maximum allowance under the 5-5-3 ratio.

Britain to Build Cruisers of New Type with Increased Armaments

The First Lord of the British Admiralty announced in the House of Commons last week that Britain proposes to revise its 1933 building program so as to provide for the construction among other ships of two cruisers of a new type of 9,000 tons with increased armaments, and one cruiser of the *Arethusa* class of 5,200 tons. The First Lord said that the Government had adopted a policy of building cruisers of comparatively small tonnage in the hope that other nations would follow the example. He pointed out that in 1931 Japan laid down two cruisers of 8,500 tons and reputed to be armed with fifteen-inch guns, and that it is now learned that Japan is laying down two more of the same dimension while construction of a further two cruisers is projected. He also said that the United States had announced the intention to build four cruisers of 10,000 tons with fifteen and sixteen inch guns. Therefore the new British cruisers would be definitely inferior to those being built by other powers.

While declining to comment on the proposed change in the British naval program, naval officials in Washington indicated their conviction that Britain is within her rights under the London Treaty in making changes in her plans. In so far as any future agreement to reduce the size of cruisers to below the present 10,000 tons limit is concerned, it is indicated that such a move would be opposed by the United States because, owing to the country's lack of far flung naval bases, the larger type of cruiser with a long cruising radius is considered by the Navy Department as the most desirable type for the United States.

The *New York Times* in an editorial commenting on the British naval construction program Nov. 16 said:—"So long as the militarist party stays in power in Tokyo neither Europe nor America can remain indifferent to Japan's ambitions."

The naval correspondent of the *London Daily Telegraph* reports that, in the event of no disarmament agreement being reached, the British Government has prepared a naval construction program to make good the deficiency of the British navy in cruisers and submarines. At the same time, the Dominions would take up again their naval building programs.

The U. S. Navy Department announced Nov. 24 that 130 aircraft of various types will be constructed with the U. S. \$7,500,000 recently allotted to the Navy by the Public Works Administration. This construction program, which is expected to get under way at once, is designed to replace worn out planes and to bring the Navy up to the present 1,000 limit.

The cost of the Disarmament Conference was the subject of a question in the House of Commons Nov. 27. Sir John Simon stated that so far, 1,124,000 Swiss francs (about U.S. \$224,000) had been spent on the Conference from the funds of the League of Nations; 73,271 Swiss francs had been paid to the president, Arthur Henderson, from the same source, this not including the cost of his secretarial staff and his entertainment expenses.

U. S. Dollar to Be Stabilized—But How?

James Warburg, financial adviser to the American delegation to the World Economic Conference, advocates an Anglo-American currency truce; he urges the abandonment of further wilful depreciation of the dollar and advocates an early revaluation of the dollar on a modernized gold bullion standard, which can only be undertaken in conjunction with Britain. According to reports, President Roosevelt is planning stabilization in relation to commodity prices and not in relation to gold. Roger Babson has expressed the view that stabilization with gold at the old standard is impossible.

"Al" Smith, who was defeated in the Democratic convention as candidate for President against Roosevelt, in a recent scathing speech opposing the administration's monetary policy, characterized the "rubber" dollar as so much "boloney." Senator Borah replied saying that the gold standard has been discredited. The N. Y. Chamber of Commerce supports Roosevelt's program. Senator Wheeler continues to press for the free coinage of silver at 16 to 1.

An import quota for foreign spirits and wines will be established on December 5. Beer imports will be unrestricted.

The U. S. Government Nov. 18 raised the purchase price of gold from \$33.75, to \$33.86,—which means in reality depreciating further the value of the paper currency. This action on the part of the Roosevelt administration demonstrates that it intends, despite all criticisms, to continue the policy of lowering the value of the paper currency, at the same time increasing the government's stock of gold, thus putting the United States in a strong position to revert to the gold standard whenever such a move appears feasible.

President Roosevelt Nov. 27 signed a code establishing governmental control of the liquor trade till Congress fixes permanent measures; also a cinema code.

Two alleged kidnappers of Brooke Hart, son of a wealthy San Jose merchant, were dragged out from the prison in which they were awaiting trial and lynched by an infuriated mob in said city Nov. 26. The lynching followed vigorous agitation for enforcement of a new law making kidnapping a capital offence.

The public debt of the United States increased by \$6,360,000,000 during the past three fiscal years, the total figure now being \$22,500,000,000.

Senator Pittman, Nov. 22 cabled an appreciation of the ratification of the London Silver Agreement by the Indian Legislative Assembly.

Accident Mars First Passenger Flight to Canton---Service Not Affected

The first passenger flight on the newly inaugurated Shanghai-Canton air service of the China National Aviation Corporation, Nov. 24, was marred by a serious crash, resulting in injuries all seven passengers. The large Sikorsky amphibian left Shanghai at 6.15 a.m. but returned to its base because of fog in Hangchow Bay. It made off again about 8 a.m., but as no word was received through the planes wireless a search was made by two other planes with the result that the wrecked machine was found on East Chusan Island in Hangchow Bay, 50 miles south from Shanghai. It was later learned that the pilot George Rumill, had made a forced landing and in doing so had upset the plane.

The passenger on the plane were: Lady Carlisle, niece of Sir Miles Lampson, British Minister to China, who sustained a fracture of both ankles, a bruised thigh and slight head injuries and shock; L. C. Reynolds, American Consul at Foochow; K. Schaefer, of Messrs. Kunst & Albers; Yang Zung-wo, of Wenchow; M. H. Yang, Commissioner of Customs, Wenchow; S. F. Chang, manager of the Foochow Motor Sales Co. and Dr. Conrad Hsu, of the Asia Electric Co. (son of George Hsu Chien, member of the Fukien revolutionary government). All of the passengers were more or less injured, but they are rapidly convalescing at the Country Hospital in Shanghai.

The accident has had no effect on the patronage of the line. Another plane of the China National Aviation Corporation departed from Shanghai for Foochow and Canton on the morning of November 28 with a full list of passengers. The plane was in charge of R. H. Gast, veteran Pan-American pilot and A. L. Woods, co-pilot and radio operator. Among the passengers were G. Yorke and Randall Gould, Shanghai newspaper men, who proceeded to Foochow to report the Fukien revolution. The flight was successful in every respect. Foochow is reported quiet. The People's Revolutionary flag has disappeared from the shops.

The airmail service of the China National Aviation Corporation between Chungking and Chengtu, capital of Szechuen Province, was inaugurated Nov. 21. Flights on this route are scheduled on Tuesdays, Thursdays and Saturdays of every week. The new service links up the Szechuen capital with all the cities along the Yangtze to Shanghai. The service for the present is limited to the carriage of mails.

Junkers Airplane Factory to Be Erected in China

An agreement has been reached between the Chinese Government and the Junkers Airplane Factory of Germany for the establishment of a branch factory by the Company in China for the construction of airplanes for the Chinese Government. It is learned that the initial capital for the factory will be three million dollars, one-third of which is to be borne by the German firm.

Ministry of Navy to Build Air Plant With Lottery Money

A sum of \$150,000 from proceeds of the State Lottery has been allotted to the Ministry of Navy for the construction of a modern factory to house the naval aircraft manufacturing plant now in temporary quarters at Kao-changmiao, Nantao. Work on the new building is expected to be started early next spring. The appropriation, approved by the Ministry of Finance, will finance but half of the projects planned by the naval aircraft manufacturing plant. The plan includes for construction of a modern factory at \$100,000, construction of a hangar at \$50,000 and the purchase of instruments at \$150,000. Only \$150,000, however, is available.

Tu Yueh-sun Presents Plane to Sun Tung-kang

Sun Tung-kang, the Chinese aviator who recently accomplished his cross-country flight, arrived in Shanghai from Tsinan Nov. 12. Tu Yueh-sun, prominent local figure, presented Mr. Sun with a new airplane as a reward for the success of his flight.

The nine airplanes recently contributed by the people of Shanghai and Nanking to the Government will be organized by the Central Aviation Administration into a Volunteer Squadron. Henceforth all other airplanes donated by the people will likewise be organized into special squadrons.

Miss Lin Peng-fei, Chinese aviatrix trained in Europe and the United States, who arrived in Peiping from Shanghai recently, has left for Paotouchen on a tour of inspection in the North-west.

Air defence societies will be formed in the different countries in Kwangtung as the result of an order by the Provincial Party and government for the enlarging of national defence works. Under the scheme each country is required to purchase at least one plane.

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Andersen Meyer & Co. Win Case Against H. H. Arnold

Judgment by default was given in the U.S. Court for China, Judge Milton D. Purdy presiding, Nov. 27 in the case of Messrs. Andersen, Meyer & Company, Ltd. vs. H. H. Arnold for U.S.\$23,446.25. The case concerned a promissory note executed on June 3, 1924, for U.S.\$19,475.30, plus interest and court costs. Mr. Arnold was formerly the head of Andersen-Meyer's engineering department.

Sentences Imposed on Mutineers on Netherlands Cruiser

Nineteen native sailors were found guilty at Sourabaya Nov. 18 of mutiny by the court-martial investigating the incidents connected with the Netherlands battleship *De Zeven Provinciën*, which was captured after a six-day chase. Five were sentenced to penal servitude for 18 years. The others received sentences of from six to 10 years. All appealed. Other groups, including eight Europeans, will be court-martialled later.

Real Estate and Roads Discussed by Realty Investment Company

Real estate development and good roads are inseparable. Shanghai has the roads outside the Settlement but uncertain regulations are a handicap to the development of land along these roads. It is interesting to note that "outside roads" should be the subject of the leading editorials in two of the morning papers on the same day (November 28, 1933.) Both were in agreement that uncertainty was holding up the development in the areas outside the Settlements, and that there should be less heed to rights and more attention to the needs of a growing Shanghai. The editorial in the *Times* concluded with "One cannot go into the Western or Northern Districts without realizing the tremendous opportunities for development if only the questions of control, policing and administration were more satisfactorily settled."

Permits for new buildings have definitely slowed up. It would seem to be a reaction to the unsettled conditions in Fukien Province. The largest single permit for the week is for 22 three story Chinese houses on Rue Bourgeat near Route de Say Zoong.

HOW CHILDREN GET COLDS.

In the treacherous autumn months, with their sudden changes of temperature, it is difficult to safeguard children from catching cold. Provided children are sensibly clad the governing factor in a child's immunity from colds is the condition of the stomach and intestines.

An occasional mild aperient dose of Baby's Own Tablets is an excellent safeguard which will ensure that any unobserved irregularity is corrected, and that congestion of the food tract which makes a child liable to a chill will not take place.

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The National City Bank of New York, Rates of Exchange

Shanghai, Nov. 29, 1933.

Demand selling rate on America:	U.S.\$100=Sh. \$296.85
Demand buying rate on America:	U.S.\$100=Sh. \$293.58
Demand selling rate on London:	£1.0.0=Sh. \$15.678
Demand buying rate on London:	£1.0.0=Sh. \$15.484

Latest New York Stock Exchange Quotations

Market—Steady

Business Done 1,010,000 Shares

November 29, 1933

1933 Div.\$			STOCKS	Mon. Tue.	
High	Low	per Sh.		Nov. 27	Nov. 28
18 3/4	3	—	Adams Express	7 1/2	7 1/2
83	11 1/4	0.60	Alaska Juneau	20 1/2	21
145 1/4	70 1/4	6.00	Allied Chemical & Dye	137 1/2	138 1/2
99 1/4	49 1/4	4.00	American Can	95 1/4	95 1/4
19 1/4	3 1/4	—	American & Foreign Power	9 1/2	9 1/2
44 1/4	7 1/4	—	American & Foreign Power 7% Pfd.	21	20
13 1/4	2 1/4	—	American & Foreign Power Warr.	7	6 1/4
23 1/4	3 1/4	—	American Metal Co.	18 1/4	19
53 1/4	10 1/4	—	American Smelting	40	41 1/4
184 1/4	86 1/4	9.00	American Telephone & Telegraph	119 1/4	118 1/4
94 1/4	50 1/4	5.00	American Tobacco "B"	74 1/4	74 1/4
43 1/4	10 1/4	1.00	American Waterworks	18 1/4	17 1/4
22 1/4	5	—	Anaconda Copper	13 1/4	14 1/4
18 1/4	5 1/4	—	Atlas Corporation	11 1/4	11 1/4
84 1/4	31 1/4	2.00	Auburn Automobiles	42 1/4	43
87 1/4	8 1/4	—	Baltimore & Ohio	28 1/4	22 1/4
49 1/4	10 1/4	—	Bethlehem Steel	82 1/4	82 1/4
37 1/4	18	1.60	Borden Company	20 1/4	20 1/4
21 1/4	5 1/4	0.25	Borg Warner	16 1/4	16 1/4
20 1/4	7 1/4	—	Canadian Pacific Railway	12 1/4	13
103 1/4	30 1/4	—	Case, J. I.	67 1/4	67 1/4
47 1/4	18 1/4	1.40	Chase National Bank	19 1/4	19
52 1/4	14 1/4	2.00	Chesapeake Corp.	33	32 1/4
52 1/4	7 1/4	0.50	Chrysler Corp.	46 1/4	46 1/4
28 1/4	9	0.50	Columbia Gas & Electric	11 1/4	11 1/4
6 1/4	1 1/4	—	Commonwealth & Southern	1 1/4	1 1/4
64 1/4	36 1/4	3.00	Consolidated Gas of N. Y.	38 1/4	37 1/4
19 1/4	4 1/4	—	Continental Oil	17	16 1/4
90 1/4	46 1/4	3.00	Corn Products	69 1/4	70 1/4
7 1/4	2 1/4	—	Coty Inc.	4 1/4	4 1/4
4 1/4	1 1/4	—	Curtiss Wright Company	2 1/4	2 1/4
18 1/4	10 1/4	0.75	Douglas Aircraft	13 1/4	13 1/4
89 1/4	32 1/4	*2.00	Du Pont de Nemours	84 1/4	84 1/4
89 1/4	46	3.00	Eastman Kodak	77	76 1/4
41 1/4	10	—	Electric Bond & Share	13 1/4	13 1/4
15 1/4	8 1/4	—	Electric Power & Light	5 1/4	5 1/4
19	12	—	Fox Film	Unq.	14
10 1/4	2 1/4	—	General Aviation	5 1/4	Unq.
30 1/4	10 1/4	0.40	General Electric	19 1/4	19 1/4
39 1/4	21	1.80	General Foods	35 1/4	35
85 1/4	10	*1.00	General Motors	32 1/4	31 1/4
49 1/4	18 1/4	1.00	General Railway Signal	30	29
27 1/4	12	1.20	Gold Dust	18	17 1/4
47 1/4	9 1/4	—	Goodyear Tire & Rubber	34 1/4	34 1/4
40	6 1/4	—	International Cement	30	30
46	13 1/4	0.60	International Harvester	35 1/4	35
22 1/4	6 1/4	—	International Nickel	21	21 1/4
21 1/4	5 1/4	—	International Telephone & Telegraph	13	12 1/4
60 1/4	12 1/4	—	Johns Manville	53	54 1/4
26	7 1/4	—	Kennecott	20 1/4	20 1/4
79 1/4	37 1/4	2.40	Lehman Corporation	67	68 1/4
99 1/4	49 1/4	*4.00	Liggett & Myers, "B"	85 1/4	84 1/4
36 1/4	8 1/4	1.00	Loew's, Inc.	27 1/4	28 1/4
25 1/4	10 1/4	1.20	Lorillard P. Co. (Com.)	17	16 1/4
47 1/4	18	1.00	McIntyre Porcupine	37 1/4	38 1/4
28 1/4	8 1/4	—	Montgomery Ward	21 1/4	21 1/4
24 1/4	19 1/4	1.00	National City Bank (bid price)	21 1/4	20 1/4
41 1/4	5 1/4	—	National Distillers	26 1/4	26
58 1/4	14	—	New York Central	34 1/4	33 1/4
36 1/4	14	8 1/2	North American Company	15 1/4	15 1/4
96 1/4	31 1/4	2.00	Owens Illinois Glass	78 1/4	79 1/4
37 1/4	16 1/4	1.50	Pacific Gas & Electric	17 1/4	17 1/4
6 1/4	1 1/4	—	Packard Motors	4	4
42 1/4	18 1/4	0.50	Pennsylvania Railroad	25 1/4	25 1/4
6 1/4	1 1/4	—	Pennroad Corporation	2 1/4	2 1/4
18 1/4	4 1/4	—	Phillips Petroleum	15 1/4	15 1/4
12 1/4	3	—	Radio Corporation	6 1/4	6 1/4
5 1/4	1	—	Radio-Keith Orpheum	2	2
54 1/4	26 1/4	8.00	Reynolds Tobacco "B"	46 1/4	46 1/4
47	12 1/4	—	Sears Roebuck	40 1/4	41 1/4
11 1/4	4	—	Shell Union	8 1/4	8 1/4
17	6	0.25	Socony-Vacuum Corp	15 1/4	15 1/4
28	14 1/4	2.00	Southern California Edison	16 1/4	16
22 1/4	5 1/4	—	Standard Gas & Electric	9 1/4	8 1/4
47	22 1/4	1.00	Standard Oil Co. of N. Jersey	43 1/4	43 1/4
60 1/4	50	—	Sterling Products	55 1/4	55 1/4
8 1/4	1 1/4	—	Studebaker	4 1/4	4 1/4
30 1/4	10 1/4	1.00	Texas Corporation	25 1/4	26 1/4
45 1/4	15 1/4	1.00	Texas Gulf Sulphur	41	41 1/4
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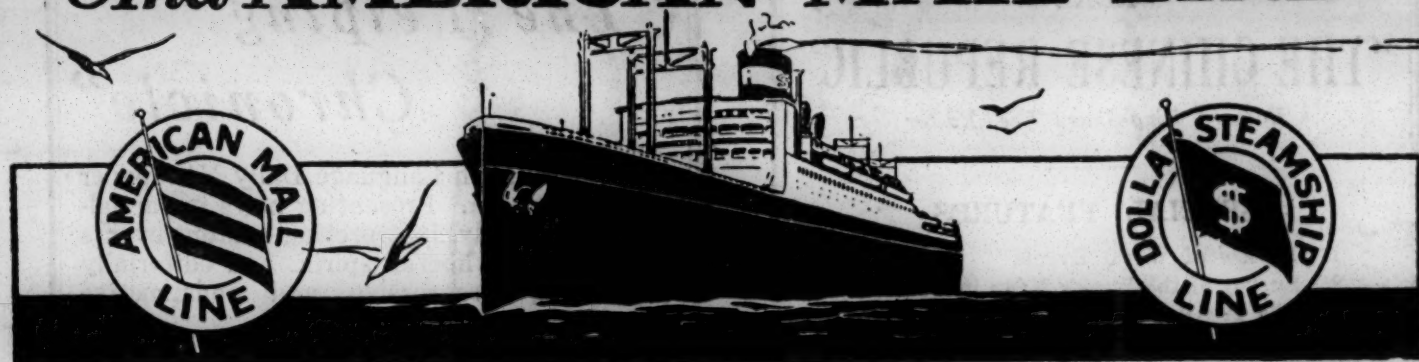
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